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IT TAKES

AN EDGE

OVERSEAS NEWS

Non-aligned countries soften stance on West

By Robert Mautner, Diplomatic Correspondent

THE non-aligned countries ended their four-day summit in Belgrade yesterday with a declaration which noticeably softened their previous anti-Western stance...

summit would be remembered as the beginning of a new era for the movement, during which it would aim to avoid confrontation and would strive to co-operate with all nations of the world...

member states on the need for the West to do much more to help the Third World. In particular, the summit demanded urgent Western action to ease the \$1,300bn debt burden of the developing countries...

Marcos goes on trial in the Philippines

By Greg Hutchinson in Manila

THE PHILIPPINES put Mr Ferdinand Marcos, the former president, on trial in his absence yesterday for allegedly plundering the nation's wealth...

The opening of the case - the first of a planned 35 civil suits against the exiled dictator, his wife and dozens of business associates seeking a total \$100bn in damages - marks the real beginning of the arduous process to recover the wealth allegedly taken out of the Philippines by illegal means...

Cutting the cost of contraception John Murray Brown looks at efforts to curb Indonesia's population

CLIENT orientation, cross subsidisation, and product choice; today the doctors and midwives at BKKBN, Indonesia's family planning agency, talk the language of New York advertising executives...



Indonesia is the world's fifth most populous country

After 18 years providing an essentially free service, BKKBN is turning to the private sector to carry some of the financial burden, as officials strive to curb the growth of the world's fifth most populous country...

The project has been given official dispensation to advertise. The local branches of advertising agencies Ogilvy & Mather and Saatchi and Saatchi have embarked on what the Government likes to call a "social marketing" campaign to encourage individual choice among Indonesia's growing urban middle class...

conservative, predominantly Moslem country. The programme gets support from the leaders of all five official religions - Moslems, Hindus, Buddhists, Roman Catholics and Protestants. The message *Dua Anak Cukup* - two children is enough - is emblazoned over ketchup bottles, at the entrance to every village and broadcast at traffic lights...

By the year 2000 officials are aiming for a rate of two children per couple - with population stabilising at about 300m by the year 2050. According to Populi, the official family planning journal, just to meet these targets will require at least 20,000 new acceptors a day...

introduced the Norplant, a little-tried Finnish product which when inserted under the skin provides contraception for a woman for up to five years. More controversially, BKKBN has been using the Depo Provera injectable, a drug made by Upjohn of the US which caused serious health concerns in the West...

Mujahideen claim Kabul aircraft shot down

By Christina Lamb in Islamabad

AFGHAN mujahideen claim they have shot down a Kabul regime transport aircraft at Khost and set fire to the airport. The aircraft was taking ammunition to the southern garrison town which has been the scene of heavy fighting for the last two weeks...

Rabin in Washington for peace plan talks

By Hugh Carnegie in Jerusalem

MR YITZHAK RABIN, the Israeli Defence Minister, flew to Washington yesterday for talks with the Bush Administration in which the two sides will be seeking ways to advance stalled peace efforts for the occupied West Bank and Gaza Strip...

Israeli peace plan, with Mr Shamir and Mr Peres this week again trading public insults on the issue. Moderate Palestinian leaders of the 20-month old uprising in the occupied territories, anxious that radical factions will gain the upper hand if political advances are not made soon, are worried by the current stalemate...

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UK NEWS

Confidential report says half UK pits run at a loss
Break-up of British Coal risks further pit closures

By Charles Leadbeater, Labour Editor

THE BRITISH coal industry would contract significantly if it were broken up into separate operating companies when it is privatised, according to a confidential British Coal report.

The prospect of further pit closures this financial year are raised by confidential British Coal financial returns which show that more than half the corporation's 83 collieries incurred a combined loss of about £36.5m, including interest charges, in the first quarter of the financial year.

It gives as an example what would happen if the South Yorkshire area were allowed to compete with areas such as North Yorkshire and Nottinghamshire. Together they employ about 26,000 miners.

Doubts cast over results of Lloyd's subsidiary

By David Waller

ERNST & Whinney, the London accountants, has heavily qualified the accounts of Lionover - the specialist insurance subsidiary set up by Lloyd's of London to take over the liabilities of the notorious PCW syndicates - for the second year running.

Survey shows profits squeeze

By Peter Norman, Economics Correspondent

BRITISH retailers and wholesalers are suffering a squeeze on margins and are viewing their overall short term business prospects with less optimism than at any time in the past six years.

Mr Nigel Whittaker, chairman of the CBI distributive trades panel, said the slow sales growth in the wholesale sector last month showed that "restrained consumer spending is now beginning to spread throughout the economy."

not believe that the revival of retail sales in August marked a bottoming out of adverse business conditions in the distributive trades sector. He predicted difficult conditions for many retailers for 18 months.

Electricity industry outlines trading plan

By Maurice Samuelson

THE TWO SIDES of the electricity industry have finally agreed on a system of trading which, they say, will remove the growing threat to the Government's privatisation timetable.

TUC backs Labour defence stand

THE opposition Labour Party leadership's attempt to switch from a unilateralist to a multilateralist nuclear disarmament policy received further encouragement yesterday when Trades Union Congress in Blackpool passed a motion in line with the change.

Despite the opposition led by the Amalgamated Engineering Union and the Transport and General Workers' Union, the vote confirms the likelihood of a revised defence policy being approved at the Labour conference next month.

Both are committed to unilateral nuclear disarmament, and Mr Doug Hoyle, MSF president, later said the union would be voting for a stricter form of unilateralism at the Labour conference.

Inquiry examines 'serious misconduct' at Homes Assured

By Richard Waters

THE Department of Trade and Industry is investigating whether there was "serious misconduct" at Homes Assured, a company which at one time had as clients 20,000 council house tenants seeking to buy their homes.

To do this, salesmen gave the tenants estimates of the value of their properties which were deliberately pitched low. These estimates were produced by impressive hand-held computers, which were programmed to produce a valuation.

Greens debate role after Euro election success

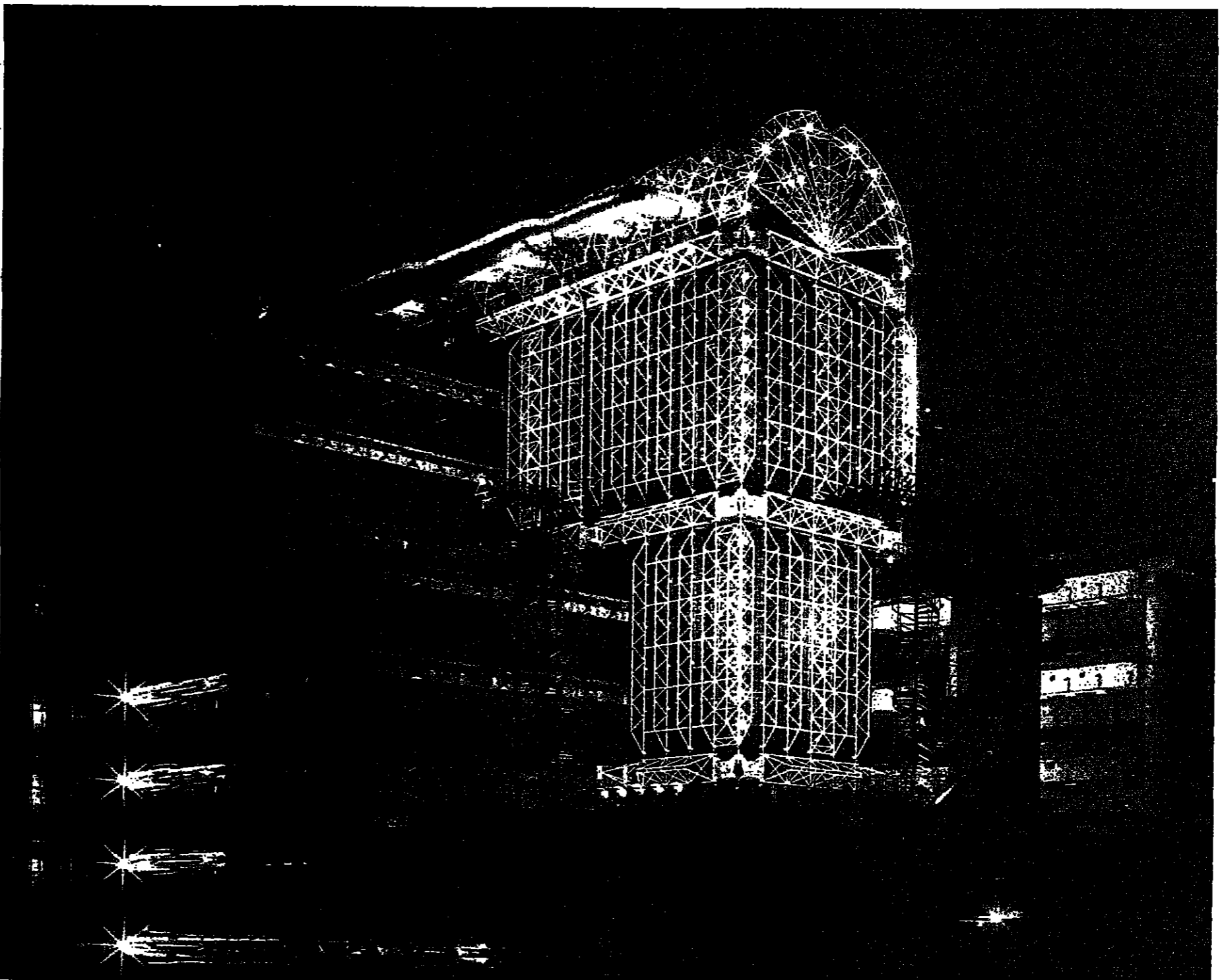
By John Hunt

MOVES to commit the Green Party to policies that are "anti-capitalist" and opposed to uncontrolled economic growth will be made at the party's annual conference to be held later this month.

Directors risk jail threat over computer piracy

By Alan Cane

THE company directors can now be sent to jail if they allow illegally copied or "pirated" computer software to be used or distributed in their organisations.



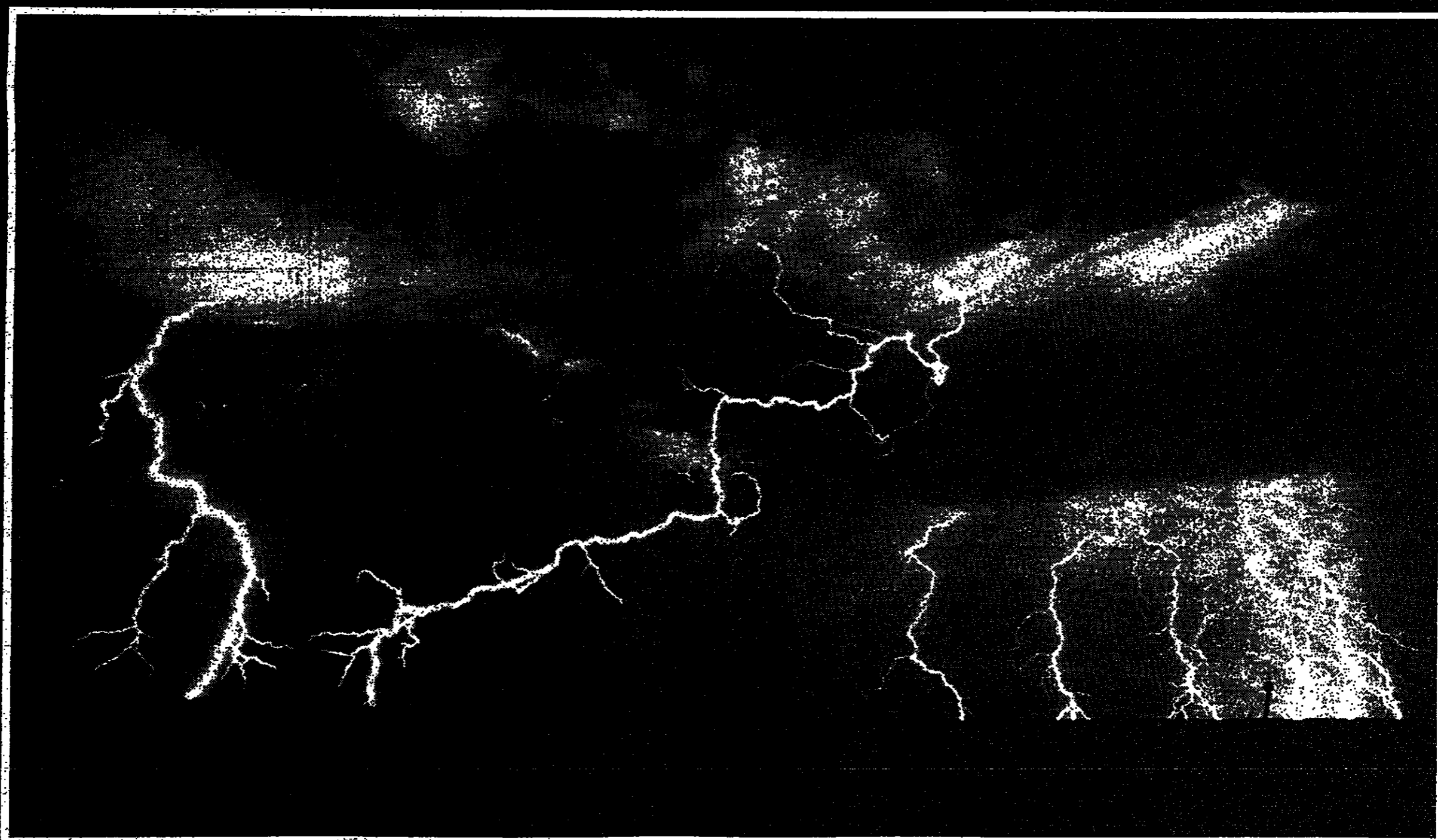
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- One in seven of the cars on Britain's roads is insured by Lloyd's.
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For a copy of Lloyd's Global Report and Accounts at 31 December 1988 please write to Lloyd's of London Press, Sheepen Place, Colchester, Essex CO3 3LP or collect one from Lloyd's Public Affairs Dept, Information Office, Lower Ground Floor, Lloyd's of London, One Lime Street, London EC3M 7HA.

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THE PROPERTY MARKET

Paul Cheeseright on two contrasting business approaches

BRIAN CRAIG this week finally laid down the reins of control at Brookmount, now absorbed into Ford Sellar Morris Properties after an agreed £24m bid. It has been a fast and jolting ride since the plan for the company was hatched on the Monte Carlo promenade over six years ago.

The factors behind its growth from nothing but some seed capital are illustrative of what can be done in a rising market. Whether the same thing can be done in the late 1980s and early 1990s in different property and stock market conditions is not clear. Mr Craig believes it can be because the property market always is full of individual opportunities. But the stock market might be less kind.

Brookmount floated on the USM in January 1986 at 160p,

Joint ventures a key to asset growth

hit 795p in June 1987 at a time when the market valued earnings above assets, had a rights issue at 650p, slumped to 355p after the October 1987 crash and was eventually taken out at 600p. But, by the time of the sale, Brookmount had accumulated net assets of £89m.

Looking back, it is evident that the use of the joint venture and the scope it gave to keep borrowings off the balance sheet were the triggers for asset growth and for doubling profits every year.

Joint ventures with Trafalgar House, both the parent and the Trollope & Colls subsidiary, and with Blue Circle, let Brookmount secure large

properties which would otherwise have been outside its scope. And the minority interest in large properties, each separately financed, provided a profit flow.

The bigger partner gave protection so that, as Mr Craig put it, the upside was greater than the downside and "the downside was always postponed by putting the financing off the balance sheet." Further, joint ventures "removed the holding costs."

But there was more to it than that. The tie up with Trafalgar and Blue Circle gave as a status we wouldn't have had otherwise. It put us into contact with other compa-

nies," said Mr Craig. Certainly, until October 1987, the market devoured news of deals and developments. Any excuse seemed good enough to mark up share prices. "We saw the share price go up 20p when we made an announcement about Blue Circle," noted Mr Craig.

But the very factors which speeded growth complicated the disposal of the company. The march towards disposal started last year when Mr Craig's two other founder directors, Jack Wilton and Harry Sproule, both Northern Irish businessmen, decided they wanted to sell their stakes. To realise the value of

their investment it became necessary to sell the whole company.

But the joint ventures made this a complicated task. Any potential buyer would want to examine in detail the likely benefits and liabilities - as Arlington Securities found when it was in negotiation with British Aerospace. And the matter was made more complex by Brookmount's ownership of Wright Oliphant, chartered surveyors - an interest that likely buyers thought sat oddly with the rest of the group.

Indeed, the deal with Ford Sellar Morris was unlocked by

two moves. First was Trafalgar House's willingness to buy out the minority Brookmount stake in Trafalgar Brookmount, the vehicle for the joint venture. Second was the willingness of Mr Wilton and Mr Sproule to look after the Northern Ireland property of Brookmount in a joint venture with Ford Sellar Morris.

For property developers, this is the age of the agreed takeover. "There is a lot of money available for corporate transactions," observed Mr Craig. That suited the early shareholders of Brookmount, but not those who bought the rights.



Brookmount chief executive Brian Craig

Beachmount is the opposite of Brookmount. It is going for steady growth based on the funds it generates itself. It is not interested in a market quotation: the directors want to keep control and are prepared to do without the infusion of outside cash.

Founded in 1979 by Stephen Minion, a former Wimpey structural engineer, the company entered into the property development market through housing. With a mixture of luck and judgment it left the residential market at its peak.

Spotting the site that suits Beachmount's style

It concentrates now on relatively small industrial and office units in the western corridor - Marlborough, Bristol, Yate, Eynsham. It has ventures in France and Spain. It wants diversity.

"We are tiny, tiny now - but we have our foot on the ladder," said Mr Minion in his headquarters at Langley, Berkshire. Turnover this year will be around £10m and pre-tax profits about £750,000 with a substantial increase

next year as more developments come on stream. Its growth owes more to spotting the right site and putting the suitable development on it than it does

to financial wizardry. "If we go out and buy something, we're buying it with our own money. We need the right kind of return, there's no second shot," said Mr Minion.

That return is a minimum 20 per cent based on today's prices and, he added, "I won't touch anything under that." His elimination of the downside risk comes from

leaving the minimum to chance. "I've never bought anything on the prospects of growth and I'm not about to start."

The prospects of rental growth on the scale which has taken place over the last couple of years are in any case remote. While there are enough people around to fill new space, Mr Minion feels a wind of change.

This is apparent in the attitude of the banks which

were throwing money around for three years and until six months ago were ringing him up regularly offering him finance. That has all stopped and lending policies are both more cautious and more erratic.

Beachmount has dealt consistently with three banks - two of which, a clearer and a merchant Mr Minion will not name, evidently change their lending rules almost by the week. This is not a matter expressed as a percentage of the land and construction cost but of the charges they want

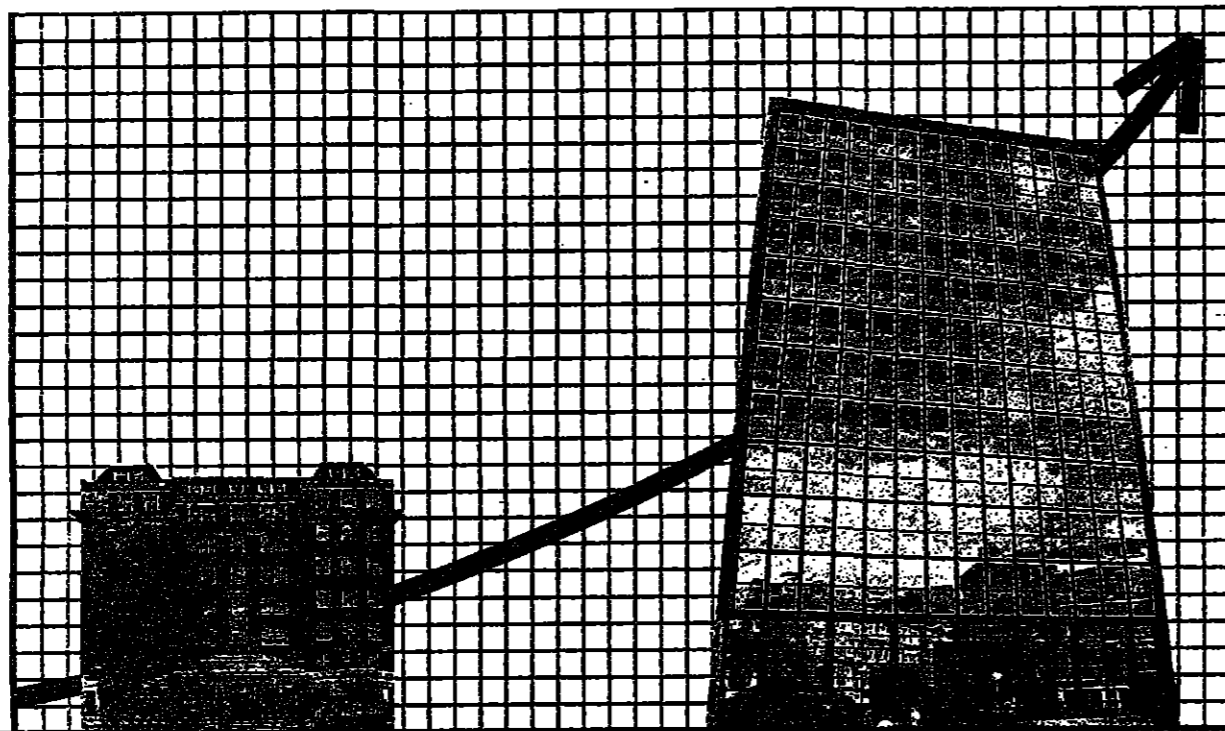
to tack on to the loan. The third bank is Lloyds, which, he said, has been consistent in its approach.

The company will continue as a property developer but is looking increasingly at projects which give cashflow from their end-use. Thus it has a nursing home on the stocks and will retain a stake in the operating company when the building is completed. A similar technique will be followed with sports centres and country clubs. Property is a base for other activities.

| | Capital Growth (%) | | | |
|--------------------|--------------------|--------|------------|--------------|
| | Retail | Office | Industrial | All Property |
| Year to July 89 | 10.6 | 24.6 | 29.2 | 16.6 |
| Quarter to July 89 | 1.9 | 5.3 | 6.9 | 4.0 |
| Month of July 89 | 0.3 | 1.4 | 1.8 | 1.0 |

Source: Investment Property Databank

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ARTS



THEATRE

London

The Merchant of Venice (Florentia). Dustin Hoffman's Slylock a sympathetic, semaphore-gesturing alien in Peter Hall's fine Venetian Renaissance production...

OPERA AND BALLET

London

Royal Opera, Covent Garden. The season opens with Rigoletto, in the underrated Nuria Espert production first shown last year...

mare by Richard Jones and the Quay Brothers, the directing and design team on WNO's Love of Three Oranges...

art's Entführung aus dem Serail. The conductor is Christopher Hogwood, and the singers include Lynne Dawson, Marianne Hirst, and Douglas Johnson.

New York

Heldi Chronicles (Plymouth). Wendy Wasserstein's award-winning drama covering 20 years in the life of a successful American...

tillesse. Théâtre Royal de la Monnaie. The Monnaie Opera Company in Verdi's Falstaff, staged by Luis Quisquater...

Chicago

Driving Miss Daisy (Briar Street). The touching relationship between a dowager, played in this production by Dorothy Loudon...

and conducted by James Conlon. Cologne's new music director. Also offered La Traviata with the title role, Fernando de la Mora...

EXHIBITIONS

Paris

Institut du Monde Arabe. Egypt-Egypt. An exhibition of 25 chef-d'oeuvres, including the most recent finds, start with statues and bas-reliefs dating from the middle-empire...

Brussels. KB Gallery, Grand Place. James Ensor's etchings, selected from the Francois Franck collection. Closed Monday; ends Sunday...

Bonn

Beethovenhalle Bonn. 50 portraits of Beethoven by the American pop artist Andy Warhol. In addition to the Bonn Beethovenfest, an Andy Warhol exhibition is taking place until October 1...

Amsterdam. Amsterdam Historical Museum. A selection of 70 design drawings from the private collection of art dealer Lodewijk Houthakker...

opens with a coloured lithograph of the Pope's triumphal procession, alongside the edict which condemned the edict which supposed author of a tasteless masque written for the occasion...

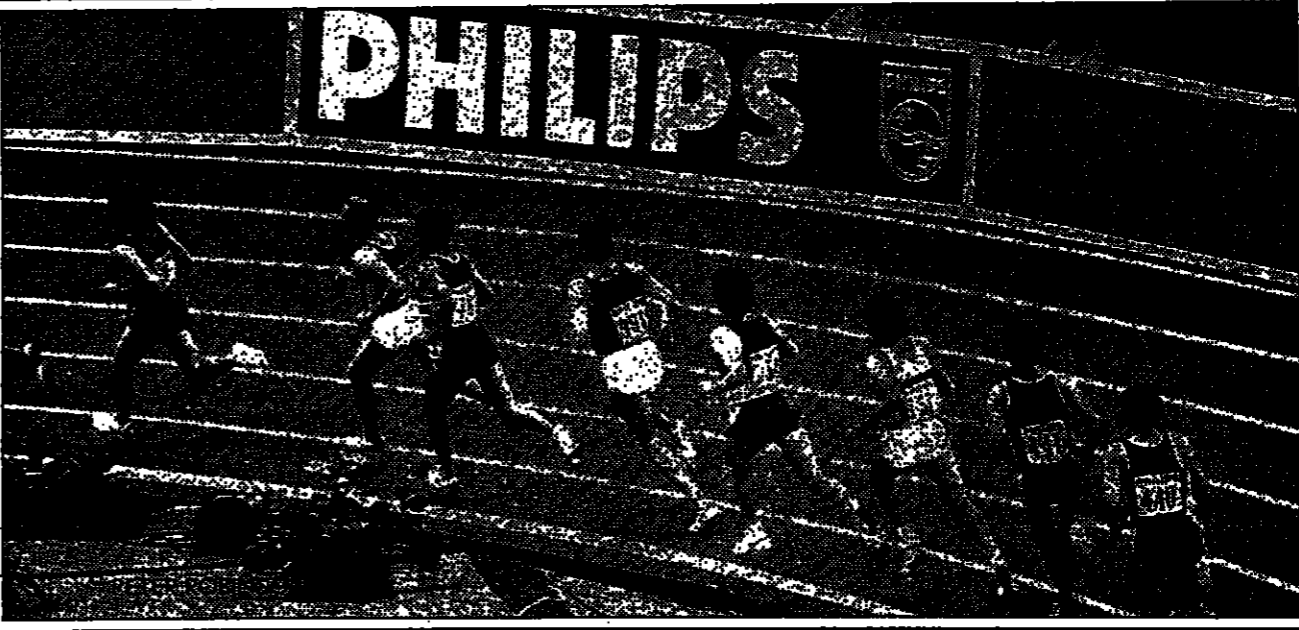
London. The season opens with Rigoletto, in the underrated Nuria Espert production first shown last year. The cast includes Ingvar Wixell, Leontina Vaduva and Jerry Hadley...

section to himself, as does Kandinsky, with three fine works. Ends October 20. Spoleto. Rocco Albornoziana and Church of S. Nicola. 17th century painting in Umbria. The exhibition is the fruit of nearly 30 years research work by Professor Bruno Ossola...

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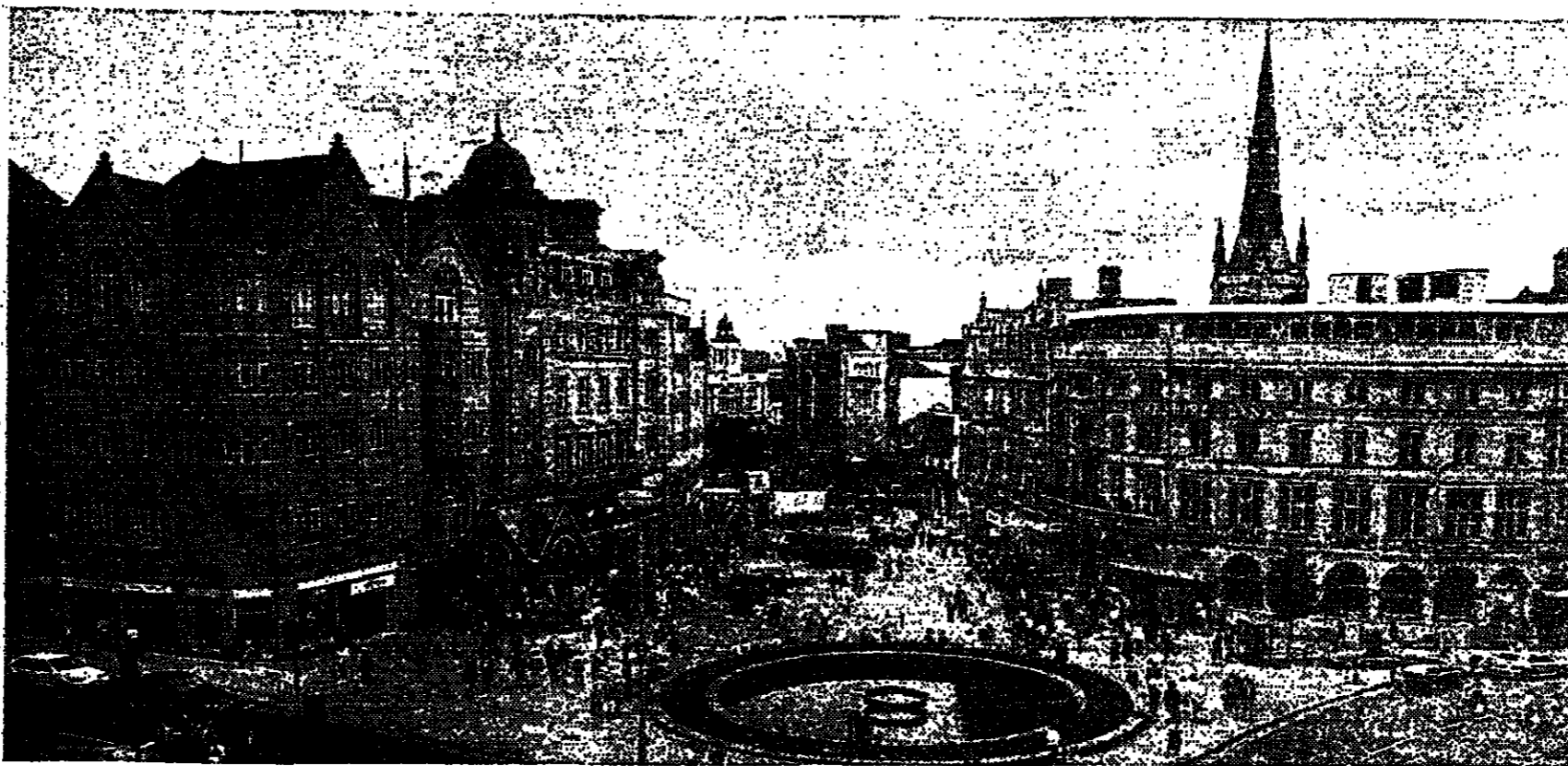
PHILIPS

FINANCIAL TIMES SURVEY



Sheffield was rocked by the restructuring of its steelmaking and other industries. Unemployment rates

trebled in 1980-83 and political conflict broke out. Yet today's Sheffield is a model of co-operation between public and private sectors. Ian Hamilton Fazey reports.



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Editorial production: Roy Terry
Photography: Michael Arron

A lesson in partnership

THE SOUND of Sheffield today is different from what it was but different, too, from many other northern cities in Britain. There is still the reverberating thud of drop forges and the hiss of steam from water as it quenches hot metal, but much less of that. The new sound is of human voices talking to each other.

They used to shout at each other across a divide; municipal socialism on one side, the city's capitalists on the other. Sheffield lost 18,000 jobs between 1974 and 1986. Unemployment rose from under 4 per cent to nearly 18 per cent in the six years from the election of the first Thatcher government.

It was not all Mrs Thatcher's fault, although Government policy steepened the rate of decline and collapse.

There was a world recession in the early 1980s and pressure from Brussels to reduce the European Community's overcapacity in steelmaking, the base of a Sheffield manufacturing sector which employed more than half the city's workforce as late as the early 1970s.

It was soon clear that any industry which survived was going to have to be much leaner and more efficient, using high technology to

replace workers and reduce unit costs. So it has proved, with many Sheffield manufacturers now thriving.

Understandably, however, political reaction was drastic. Sheffield was seen widely as one of the homes of the "loony left", vying with Liverpool to be the ideological capital of what potential US inward investors call the "red belt" of Labour-controlled Midlands and northern cities and towns.

Political leaders joked that it was its own people's republic. The image struck as private sector leaders lambasted the policies of a city council that "demography had kept in Labour hands for six decades."

Within Britain or abroad there were few outsiders who might have brought jobs, but most recoiled at the apparent conflict.

A vicious circle established itself. Local politicians blamed industry for losing and not replacing jobs. The council tried a municipalised solution, creating more jobs on the city's payroll and in the public services.

Cheap transport was supposed to enable the unemployed to escape from being trapped in their homes. Improved council services were designed to improve everyone's

lot. Inevitably, there were rises in the rates - the local property taxes met in large part by the industry that remained. Private sector leaders protested that Sheffield's place at the top of a national league table of high rates would make it even harder for businesses to survive, let alone move into the city or start up there.

The conflict was vitriolic. The city's chamber of commerce sounded like the Opposition in the House at Prime Minister's question time - as, indeed, might be expected since there was no effective opposition in the city council chamber.

Then, almost suddenly in about 1986, the stream of invective and public vituperation started to die down. Mr David Blunkett, then city council leader and as famous for having overcome his disability of blindness as for his political convictions, started to talk of talks that had been going on with the chamber of commerce.

Today there is not only dialogue, but joint action. It is not all sweetness and light, but there is something more substantial than a truce in the war. The war may well have ended, even though some left-wing zealots regret it. Serious reconstruction is under way in every sense. There is joint action on agreed projects and goals.

A political reformation has occurred, though no-one has abandoned their principles, or merely substituted them temporarily with pragmatism.

Sheffield

Instead, new political mechanisms and institutions have been developed to get things done.

One is a company called Sheffield Partnerships Ltd, chaired by Mr Norman Adsetts, now the immediate past president of the chamber of commerce.

He has two deputies. One is Mr Helen Jackson, a radical Labour politician who chairs the city's economic regeneration committee; the other is Mr Hugh Sykes, chairman of the Sheffield Development Corporation, which was imposed by the Government against the city council's will.

The corporation's job is the regeneration of the Lower Don Valley. This runs from Sheffield city centre to the neighbouring borough of Rotherham and was where the steel and metal banking industry was based. Large swathes of its 2,000 acres are derelict. The Government is giving £50m for pump-priming to help fill them.

The almost supreme test of partnership was the way the corporation's arrival was handled. Elsewhere, unwelcoming councils have been bypassed under Government orders to

the corporations to get on with it and set an example of projected regeneration.

Instead, Mr Sykes has negotiated a concordat with the city council and has turned the corporation board into a means of reinforcing partnership by having equal numbers of council and private sector leaders on it.

Its influence will go beyond the Lower Don Valley, for it will contribute money and know-how to Sheffield Partnerships, ensuring a three-way split - council, private sector, and development corporation - on specific projects.

Projects are the enablers of partnership, concentrating minds on tangible goals, and away from ideologies, schemes and visions. Their scale, however, is nothing less than grand.

The highest profile internationally are the World Student Games of 1991, which comprise the biggest collection of sporting events outside the Olympics. Hundreds of millions of pounds are being spent, with the private sector footing much of the bill. Stadia are already well under construction.

The partnership is already looking beyond the games to their aftermath and how to

capitalise upon them and use the residue of world-class facilities to long-term good effect.

But other projects are similarly important in cementing relationships, such as Sheffield's science park, which pulls the university and polytechnic into the partnership. Britain's National Transputer Centre is one important piece of inwardly invested excellence in research which has resulted.

Such things are visible symbols that jaw-jaw is better than war-war. Another example is the restoration of Sheffield's Lyceum Theatre, in which Hepworth Ceramics, one of the city's longest-established companies, has played a leading role.

Business in the Community - the national umbrella organisation for the private sector's input to economic regeneration - has put Sheffield on its tourist trail for business leaders to learn how things should be done.

What is important, however, is that Sheffield did not learn these processes from anyone else - indeed, leaders of public and private sectors made what others have seen as the obligatory study trip to the US only last month.

The lesson of Sheffield for

everyone else may well be that it learned its own lessons for itself, so that the conversion from war to jaw was born from within, possibly making it deeper and with more chance of longer life.

This almost spiritual parallel is not without merit, for the first stirrings that the slanging had to stop seem to have come from a cleric, as Mr Peter Newman, the Sheffield-based chief executive of Davy McKee's metals division, recounts.

"The Sheffield Forum of 1984-85 was a discussion group started by the Reverend Michael Jarrett, vicar of Rammore Church," he says. "It was one of the first groups of its kind, with 20 to 30 people meeting regularly to listen to invited speakers from all sides of the debate and to try to understand each other better."

"It was the origin of the partnership initiative between the chamber and the city. People realised that the decline of Sheffield had gone far enough. I don't remember a single event. The realisation dawned that we had to do something about it ourselves. It just happened."

Mr Norman Adsetts says: "If we hadn't succeeded with our bid for the Games, there would have still been a partnership, but it would be different. In 1986-87, a number of occasions and projects arose for business leaders and council leaders to talk to each other and I think we have used all the resulting projects well."

"I hope that when we look back we will see 1980-85 as an

aberration in the history of Sheffield. In the 50 years before, there was consensus between the city council and the employers. There were differences but no one moved too far outside the consensus.

"The sheer scale of what happened in the recession rocked everyone. What had taken several decades in other industries hit us here in just four years between 1979 and 1983. It knocked the stuffing out of the core of the business community. The big employers were just no longer there."

"This gave the opportunity for a new wave of activism in the Labour group on the council. The private sector could not provide jobs. People wanted intervention, with the council providing work for people. "But no-one was creating new wealth and in the end the Government, the national paymaster, was not going to stand for it. In 1986 the futility of that cycle was becoming clear."

Mr Adsetts pays tribute to Mr Blunkett for beginning a rapprochement from the city council's side. This enabled Mr Clive Betts, who succeeded Mr Blunkett when the latter became an MP, to start with a clean slate and capitalise on an existing momentum.

Mr Betts is now emerging as a national asset for the Labour Party - a Socialist politician with power who is using it wisely to work with the private sector, not against it, and to the mutual benefit of all.

Mr Sykes says: "Three years

Continued on Page 10

A VIEW TO CHANGE

Share the vision - share the growth.

There is a spirit of new-found optimism in Sheffield. The city is on the move, with companies from around the UK and overseas focusing their attention here.

Investment amounting to some two billion pounds is already earmarked for the city.

Spearheading this change is the Sheffield Development Corporation, charged with the regeneration of the Lower Don Valley - traditionally the industrial heart of Sheffield.

Two major projects are already underway in the area. One, the Meadowhall Centre, will be Europe's premier shopping and leisure complex. The other is the Cutlers Wharf development which is incorporating some of the finest examples of Sheffield's historic canal buildings with a high quality development adjacent to the city centre.

Major improvements are to be made to the environment within the valley, based on a far-reaching scheme involving extensive highway and landscaping works.

A city airport is planned and further improvements are scheduled. It is intended that Supertram - a rapid public transport system using light trains running alongside existing traffic - will also serve the area.

Sheffield is a city of skills and now offers the Quickstart training scheme, to help industry start-up and business expansion. Quickstart is provided free of charge and utilises and co-ordinates the resources of a large local network of training organisations and institutions.

The SDC believes the future for Sheffield is bright. That the city will become internationally recognised as a centre of manufacturing excellence. And that Sheffield will be held up as a model of economic and social success not only in this decade, but into the next century as well.

To share Sheffield's vision - and its exciting future - contact:

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Stewart Dalby reports on the Student Games project

Sporting chance of a winner

MANY towns and cities in Britain have tried various kinds of promotions to attract new industries and investment. Sheffield has taken the unusual route of using sport to help sell itself as a city in the throes of economic regeneration.

Sheffield has won the right to stage the World Student Games in 1991. The Games, known as Universiade '91, will, the Sheffield backers claim, be the largest sporting event ever held in Britain, even bearing in mind the 1924 Olympics and, presumably, the 1956 World Cup. They expect 6,000 competitors from more than 120 countries will participate. This would make the Games second in modern-day terms only to the Olympics and bigger than the Commonwealth Games.

The city authorities have committed more than £120m through the Sheffield Leisure and Recreation Trust, which is a registered charity created in September 1987. This covers six large, new sporting facilities at a cost of £111m. The main ones are or will be:

- The Ponds Forge sports and leisure complex right in Sheffield's city centre. This will house a 50-metre 10-lane swimming pool, of Olympic standard.
- The Don Valley athletics stadium. This will have an eight-lane 400 metre track with a 10-lane straight. It will have a seating capacity of 40,000.
- The Don Valley Arena, just a few hundred metres from the stadium. This will be the venue for the gymnastics competitions, as well as the basketball and volleyball finals.

In addition, some £11m is being spent on refurbishing the old Lyceum Theatre and other cultural centres for the arts and cultural festival which is to accompany the Universiade.

These are the projected capital costs. As an event the Games are being financed separately. A private, commercial company, Universiade GB Ltd, has been set up to run the Games. The company reports to the Leisure Trust, and is provisionally looking to raise £55m to cover the cost of the Games and the cultural festival.

The sums have been done on the basis of aggregating estimates from the five depart-

ments under the direction of Mr Peter Burns, the chief executive of Universiade GB. These five departments are finance and administration, the operations department, the marketing department, human resources department and the cultural festival directorate.

Mr Burns, a lively Liverpool man who was head-hunted for the job after being an executive with Reed International, feels the cost might turn out nearer £30m. Given that the city council is contributing only £1m, this could still be a lot of money to find.

Although student sports have been popular in the US and eastern Europe, they have never really been great spectator events in Britain. The Oxford and Cambridge boat race is popular. The varsity rugby match at Twickenham is also well patronised. But student cricket and student athletics are not greatly supported. The Games themselves have never before been staged in Britain, so audience response is an unknown quantity.

Mr Burns says: "I've no doubt that we have a great marketing job to do, and we have already started doing it. That's why we're looking at something like American rules football. When Channel 4 started televising it a few years back, everyone thought what a quaint idea. Now you cannot get a ticket for an actual game in London for love or money."

He adds that the Sports Council and other bodies have more or less agreed to give £3m. "To get 10 per cent of the project cost like this is not a bad start," Mr Burns says. "I reckon we are already set fair for about £10m one way or another."

There will be franchising and production of all kinds of memorabilia, including sweat-shirts, T-shirts and track suits. There will also be people paying to get in.

"Don't forget this," Mr Burns says. "We reckon there are 5m people within an hour's drive of Sheffield. Despite the doubts about student sports we are confident the Games will be well supported."

However, around 60 per cent of the funding will have to come from sponsorship, especially brand sponsorship. Mr Burns has some experience

here in that he was instrumental in getting Crown Paints to sponsor his beloved Liverpool FC.

One thing Universiade GB will not have to build is a Games village. Right next to Ponds Forge is the Hyde Park housing estate. This is a high-rise housing complex owned by the council. Although fashionable in its day, it has become acutely unpopular, and has only 20 families left in it. It has 1,200 units so could house all the competitors.

Assuming, however, that Universiade GB can find the money for running the Games, it is still relevant to ask, why a city council which was rate-capped by the central government for overspending has decided to commit more than £100m to a project which could go wrong.

Although the funds have been raised through the banks and the trust is entitled to certain tax advantages, ultimately it is the rate-payer or poll taxpayer who will have to fund the interest and capital pay-

ments. What are likely to be the on-going benefits of staging the Games and having such extensive sports facilities?

To understand the reason why the decision was taken to go for the Games it is necessary to look at the background of Sheffield in the early 1980s. When the steel industry, far and away the largest employer, collapsed in the recession of those years there was virtually a state of siege between the left-wing Labour-controlled city council and private business interests. Each blamed the other for the hardship Sheffield suffered.

The council increased rates to keep going what it saw as essential services. The private sector accused the council of discouraging new investment. It was not until the mid-1980s when the Labour leadership changed and the council was rate-capped that both sides realised they had to find some form of partnership if Sheffield was to climb out of its stagnation. The World Student Games, according to Mr Howard Knight, a Labour



Left: Peter Burns, chief executive of Universiade GB: "We have a great marketing job to do." Above: Don Valley athletics stadium, now under construction, will have an eight-lane 400 metre track. The seating capacity will be 40,000.



councillor and chairman of the Finance Committee, was "the best neutral focus we could think of to get Sheffield moving again."

The Games were something all the people of the city, whatever their ideological persuasion, could subscribe to. They would be a morale booster for a town which had remained in the doldrums longer than most large towns in Britain.

Attempting any kind of cost/benefit analysis of a sporting

extravaganza is always difficult because some of the spin-offs, such as raising the city's profile internationally, are not immediately quantifiable. Some of the facilities, like the arena, will be used for other events such as exhibitions, and should meet their costs on a recurrent revenue basis. The athletics stadium might be taken over by Sheffield United as their football stadium. Swimming pools are usually a loss leader. But leisure is a

growth industry, and Sheffield, in any event, is in need of city centre leisure facilities.

Certainly Sheffield can reasonably hope that other major sporting events will take place in the city. The cultural festival, unlike the Games which will run for only two weeks, will last more than two months. It will be the largest arts festival in Britain in 1991 and hopefully will attract major international names in opera and the theatre.

Whether the cultural festival or the Games make vast sums of money, or whether the facilities break even when the athletes and artists have gone, is not really the point. Both events will raise Sheffield's profile nationally and internationally. They will be one important demonstration that the war between country hall and business is over and that the city is on the move again for the benefit of all its citizens.

In this context Mr Hambidge welcomes the development corporation's Quickstart initiative, modelled on a scheme in Atlanta, Georgia, which guarantees incoming industries custom-made training programmes in advance of their opening in Sheffield.

Finding younger people in the business community to take the load off the Norman Adsetts or Richard Fields of Sheffield's world is a different problem altogether.

"There's such a demand on their time that they often can't even fit in breakfast meetings. We've got to identify the next generation," says Mr Hambidge.

For the moment, though, the emphasis is on the painstaking and sometimes painful business of making partnership work. Disagreements do happen; compromise has to be sought.

"There is a strong feeling across the partnerships that continuity is more important than single issues. We are a large family, and we have our differences. But we remain friends. Nobody has left home yet."

Robert Waterhouse reviews the private sector and the community

Polish for a tarnished image

Mr Hambidge, an adopted son like many of the city's leading figures, has positioned the chamber as a mainstream co-ordinator of interest groups. It was instrumental in the creation, also during Spring 1988, of Sheffield Partnerships Ltd, the joint body whose key purpose is to promote a positive image for the city. Last year's chamber president, Mr Norman Adsetts, chairman of the Sheffield Insulations Group, is also chairman of Sheffield Partnerships.

"1988 was all about getting the message out," Mr Hambidge says. But the chamber, which has 1,450 constituent members and a staff of around 100, had forged the co-operation theme some time before. Back in 1986 it created an Image Working Party, bringing a cross-section of Sheffield people to the task.

During 1987 the Coopers & Lybrand report commissioned by the city council's Sheffield Economic Regeneration Committee (SERC), underlined the need for substantial central government funding to bolster the regeneration process.

The chamber was quick to accept that the only mechanism available to administer this infusion, an urban development corporation, was politically difficult for the city council.

So Mr Hambidge took on the status of broker, representing the private sector in a deliberately conciliatory stance. The crucial move proved to be an exchange of personnel between SERC and the UDC's board: seven directors came with SERC credentials. The UDC could be - and is - seen as a local operator rather than an imposition from Whitehall.

"Our role was to make the joint between the city council and the development corporation invisible," Mr Hambidge suggests.

Of course, the Lower Don Valley, former steelmaking heartland and UDC territory, accounts for only part of Sheffield's industry and little of its life at present. Like the city council, the chamber's brief runs much wider.

"We place a high priority on spreading the benefits of new investment across the city, particularly to those who most need them - the unemployed," says Mr Hambidge.

He points out that 12 per cent of the male workforce is still without a job, and that figure shows a high proportion of long-term unemployed, including many unskilled or semi-skilled people.

The chamber pressed hard

for a Training and Enterprise Council (TEC), and Sheffield's is to be among the first in the country. However, because of the YTS and ET schemes it administers (its ET contract is to place 900 adults) the Chamber decided to distance itself from TEC practicalities. It also recognises that the TEC concept has been tough for a local authority to accept. Indeed, training has proved one of the first real tests of partnership. Compact is a different matter. Here the chamber worked together with the local authority to develop a city-wide approach for linking secondary school pupils with prospective employers in the Sheffield Education Business Partnership. As demographic forces have their way, and new industries start to mature, Sheffield's continuing challenge is likely to be a skills shortage.

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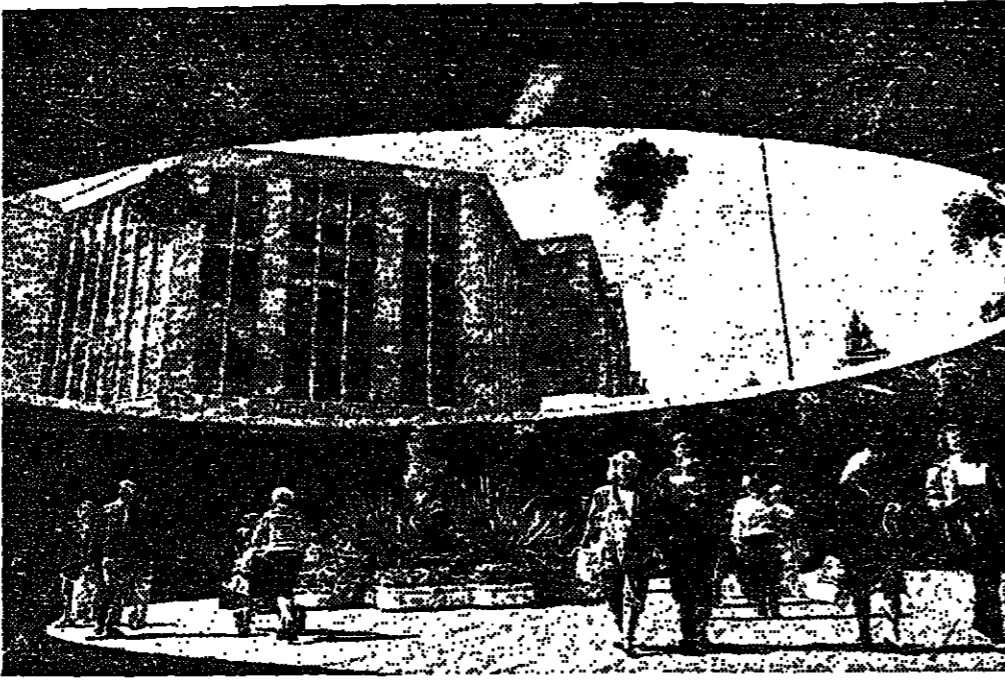
The Strength Behind Engineering Progress

SHEFFIELD 6

Jim Kelly looks at the core area of development

City's centre of attraction grows

A DECADE ago Sheffield's famously frequent cream-liveried buses used to announce their destination as simply "Town". Today, in the deregulated world, they head instead for the "City". It is a difference in perception on the threshold of becoming a reality.



Shopping subway: Sheffield's "Hole in the Road" of a different kind

In 1985 there were 20 hectares of open development sites off the main spine; today, according to Mr Richard Alty, chief assistant planning officer, major development schemes are in place on nearly all of them. "They are all serious development schemes."

Through planning gain the council estimates it will have increased the 3,500 population of the city centre to 4,500 and it hopes that people will bring the city back to healthy life after dark.

The "walk-through" nature of the complex is designed to link in with the central spine while broadening it around Town Hall Square and hopefully bringing new life to one of the missing links in the central area.

of the commercial sector benefits for the public sector. But all is not entirely rosy in this municipal garden. The council is worried that the developments will throw into stark relief the public sector "links" between the new centres. Many of the city's subways are in need of refurbishment and the Town Hall coffers are under strain.

crowded perch in the imposing City Library. The Cultural Industries Quarter, established in a derelict area on "the wrong side" of Arundel Gate, is already a success story. It thrives within a curtain-call of the Leadmill Arts Centre, one of Britain's most successful, and commercially viable, performance projects.

The Sheffield we build today will proclaim what manner of men we are

also planned. Eventually the quarter is expected to employ 2,000 people. Close by is the £23m Ponds Forge Leisure Centre, rising opposite Pond Hill, to provide the World Student Games, and the people of Sheffield, with the fastest swimming pool in Europe (due to the depth) and a new sports hall by 1990.

PROFILE: NORMAN ADSETTS

The bridge builder

FIVE years ago, Norman Adsetts was a typical company chief executive, engrossed in business problems, with little time for anything else except his family. His company, Sheffield Insulations, had grown hugely in the 20 years since he returned to the city from big-company executive life to take over from his father.



Norman Adsetts, chief executive of Sheffield Insulations, appealed at the gulf separating the council from business

change in leadership helped clear the way for a new mood and new initiatives. Mr Adsetts says: "The beginning of partnership was very fragile," he recalls. "We looked for areas where it was possible to talk. Each side was hungry for something to work so that we could get failure out of the system. Sheffield had to be made a place to reckon with once more. We were not prepared to see it go down the drain."

political beliefs in the background, although he knows there will be times of stress for the partnership during elections and people want credit for what has been achieved. He believes that businesses like his own, which have profited from the industrial shake-out of Thatcherism and the recent economic upturn, have a duty to repay society. He subscribes to the idea of a regional Per Cent Club, though he points out that most companies already give at least half a per cent of gross net profits to some charitable work or other.

Some cats are better equipped for the hunt.



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SHEFFIELD 9

Stewart Dalby examines a relocation case study

Ian Hamilton Fazey looks at a new and an old company

The heart of Britain's training industry

ON THE face of it, Sheffield seems a curious place for the relocation of the Training Agency...

ment, looked closely at nine possible sites, including Liverpool and Bristol.

able future. By 1995 the number of school-leavers will have dropped by 25 per cent.

In the heyday of steel Sheffield was a comparatively low unemployment town. It saw no need to go out of its way to broaden its economic base...

The local authorities at county and city level saw it as their responsibility to maintain essential services in times of hardship...

The senior executives, are enthusiastic about living and working in Sheffield. They admit the centre of town is not as attractive as some other northern towns...

In the heyday of steel Sheffield saw no need to broaden its economic base and attract new industries

Private sector companies claimed that the high rates were not only discouraging concerns from setting up in Sheffield, they were actively encouraging existing companies to move out.

Then, in 1988, the Trade Union Congress which had been a partner in the MSC scheme, took a different view. Its then Secretary, Mr Norman Fowler...

The Crucible Theatre is known nationally and the old Lyceum is being renovated and re-opened. Mr Johnston says the downside of Sheffield is that things still happen in London...

When the decision was taken in the mid-1970s to move some government departments out of London, the Labour government of the day pointed those concerned in the direction of the north of England...

Part of the pitch the Agency makes to companies is trying to persuade them to take on unemployed, adults - is that there are going to be in fewer school-leavers in the foreseeable...

Mr Thomson says: "I was very impressed by their dedication and enthusiasm. I don't agree with the city council leadership's politics, but Clive Betts and I got on well from Day One."

An electronics regeneration

THE metamorphosis of Sanderson Electronics from a start-up subsidiary of an engineering group to an independent, international, quoted company in less than six years is one of Sheffield's more impressive pieces of regeneration.

California-based US company, taking 37 per cent straight away to establish a controlling interest.

out of its 53 per cent holding and sales have never stopped rising. First they grew into their new premises off Sheffield Parkway - they had moved in the chosen year before after much debate with only six employees - and then started growing towards their present complement of 172 in the Sanderson companies.

financial control, production management, distribution, the National Health Service, Government departments and local authorities.

As with many successful businesses, targets are simple and easy to understand at all levels of the enterprise.

"We see ourselves as a phoenix rising from the engineering industry, but with much greater growth potential than we could ever have had if we had stayed in that sector," says Mr Paul Thompson, Sanderson's chairman and managing director.

The other key figures, also with equity, were Mr Philip Noden, 48, a computers specialist who joined the enterprise in 1983, and Mr Martin Beaumont, 35, Bramah's chief accountant.

When General Automation - another Pick specialist - ran into financial difficulty last year, the number of potential buyers was limited.

The company's share price, which was £1.30 on flotation, was at £3.40 last month. It made £5m on £5.2m of turnover at the half-year ended in March, but that reflects nothing of the prospects arising from the General Automation acquisition or the formation of subsidiary or associated companies in Australasia and Pacific markets.

Sheffield is at the centre of this little universe, a proper reward, perhaps, for the city where this high technology company was forged - even though Sheffield probably did not realise what it had initially because it did not do much in recession-hit local markets.

Ceramics centenarian

SANDERSON Electronics has some way to go to catch Hepworth Ceramics, which is the biggest quoted company with headquarters in Sheffield.

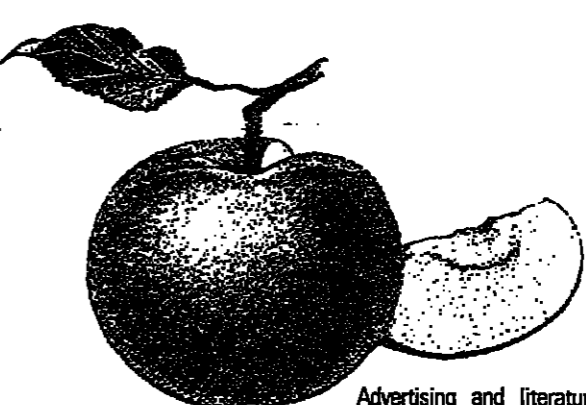
leadership's politics, but Clive Betts and I got on well from Day One. I knew I could do business with these people.

He intends to be the principal of the 300 biggest businesses in Sheffield and get them to impose a levy on themselves that will go to fund promotion of the city.

They found General Automation "a typical sales-led company," Mr Thompson says. A sales budget would be set and the company would be staffed up on the assumption that it could be met.

However, Sanderson is certainly not now a prophet without honour in its own country, for the city recognises that the consequences for its skill base are well worth having, especially with Sanderson recruiting a steady stream of trainees.

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Mayfield BUSINESS advertisement for P.A.R.K. development on Carlisle Street, Sheffield, offering 20,000 sq ft of prime site in the Lower Don Valley.

Sheffield Technology Park advertisement, offering technology support to Sheffield industry, Yorkshire Enterprise, with their Sheffield base at the centre, can provide venture capital support to Companies engaged in the new technologies.

DALEY THOMPSON Athlete advertisement, featuring a picture of an athlete and the text: "It's great that Sheffield has the World Student Games - a chance to show off our organising abilities and get some young champions of the future"

SHEFFIELD 10

Elisabeth Tacey meets the new generation casting the city's future

Steel industry is still alive and thriving

WE ARE still here. Steel is still alive and kicking, thank you very much. Mr David Stone, managing director of Stocksbridge Engineering Steels in the town of the same name, just outside Sheffield, is keen to get the message across that the Sheffield steel industry is thriving.

cent of its business. Its steel-making equipment, unlike Stocksbridge's, is not computer-controlled, but the company is investing in kit and reckons it has state-of-the-art grinding machines compared with Europe.

attacking those countries' markets. "Import penetration from Europe causes us distinct, serious concern because we believe it is unfair. 1992 will open their [other European countries] markets," says Mr Worrall. They have been to the Continent to seek opportunities to increase Sanderson's export level of 20 per cent of its goods.

that function autonomously, says Mr David Fletcher, managing director of the heavy engineering division that encompasses four companies. "It makes much more sense to run the business as a set of autonomous divisions," he says.

in the UK - we really are an international business," says Mr Fletcher. The heavy engineering division's rivals are worldwide and include West Germany's Thyssen; Terni of Italy; Japan Steelworks, Kobe and Japan Castings and Forgings, of Japan; and Bethlehem Forge of the US.

strong investors in the Sheffield area - the South Yorkshire Pensions Authority, a local authority pension fund created in 1974, and BSC Industry, a fund established by British Steel to assist in the economic regeneration of areas blighted by recession in the steel industry.

VENTURE CAPITAL

Surge in funds and prospects

TAKE a stock of ambitious managers, a town-hall keen on stimulating local business, and an infrastructure of professional advisers, and the ingredients are just right for a surge in the venture capital market.

Such conditions prevail in Sheffield at the moment. The leaders - such as investors in industry (3) - report a rapid acceleration in the number of investments they are making in the area while their efforts are increasingly being stimulated by new local sources of venture capital.

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A lesson in partnership

Continued from Page 1 ago industrial leaders were saying it was all impossible, that we could not work with the local politicians, and would never be able to trust them.



Clive Betts and Helen Jackson: concerned to get the balance right

on the point. She says that US evidence in similarly stricken manufacturing cities is that highly-paid steelworkers cannot adjust comfortably to different work in service industries where the pay is poor.

for more than a century but was "slightly detached" from it. Mr Newman says. It now works closely with the polytechnic to ensure a general supply of engineering graduates and prostheses engineers.

threat than an opportunity for places like Sheffield. Rail links alone are just one example of underinvestment at national level.

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INTERNATIONAL COMPANIES AND FINANCE

Reduced loan losses help CIBC advance by 40%

By David Owen in Toronto

CANADIAN Imperial Bank of Commerce (CIBC), the country's second largest chartered bank...

against deterioration in the less developed country (LDC) debt situation.

exactly. This represents an increase of 7 per cent from a year ago.

Western Mining up despite poor gold result

By Chris Sherwell in Sydney

STRONG EARNINGS from aluminium and nickel helped Western Mining Corporation of Australia overcome disappointments...

Prop 103 move over Farmers

By Louise Kehoe in San Francisco

FARMERS INSURANCE, the US insurance group owned by BAT Industries of the UK...

administrative hearings that the new law's 20 per cent rate cut would deny them a fair profit.

state's largest insurers should prove their claims during public hearings.

Seagram unveils 20% increase

By Robert Gibbons in Montreal

SEAGRAM Company, the Canadian spirits and wines group, yesterday unveiled a 20 per cent gain in earnings...

from \$52m or \$3.45, a year earlier, while in the second quarter the group went ahead to \$198.3m or \$2.07 against \$165.4m or \$1.74 last time.

Font reported favourable results.

Strong gain in premiums boosts QBE

By Chris Sherwell

QBE INSURANCE, Australia's largest international general insurer, yesterday reported a record after-tax operating profit of \$537.7m (US\$282.7m), up 27.5 per cent.

If an abnormal gain of \$55.9m is included, the profit figure was \$593.6m, up 47 per cent.

Most of the group's reinsurance is international; in the past year it has acquired Universal Reinsurance Company of Ireland...

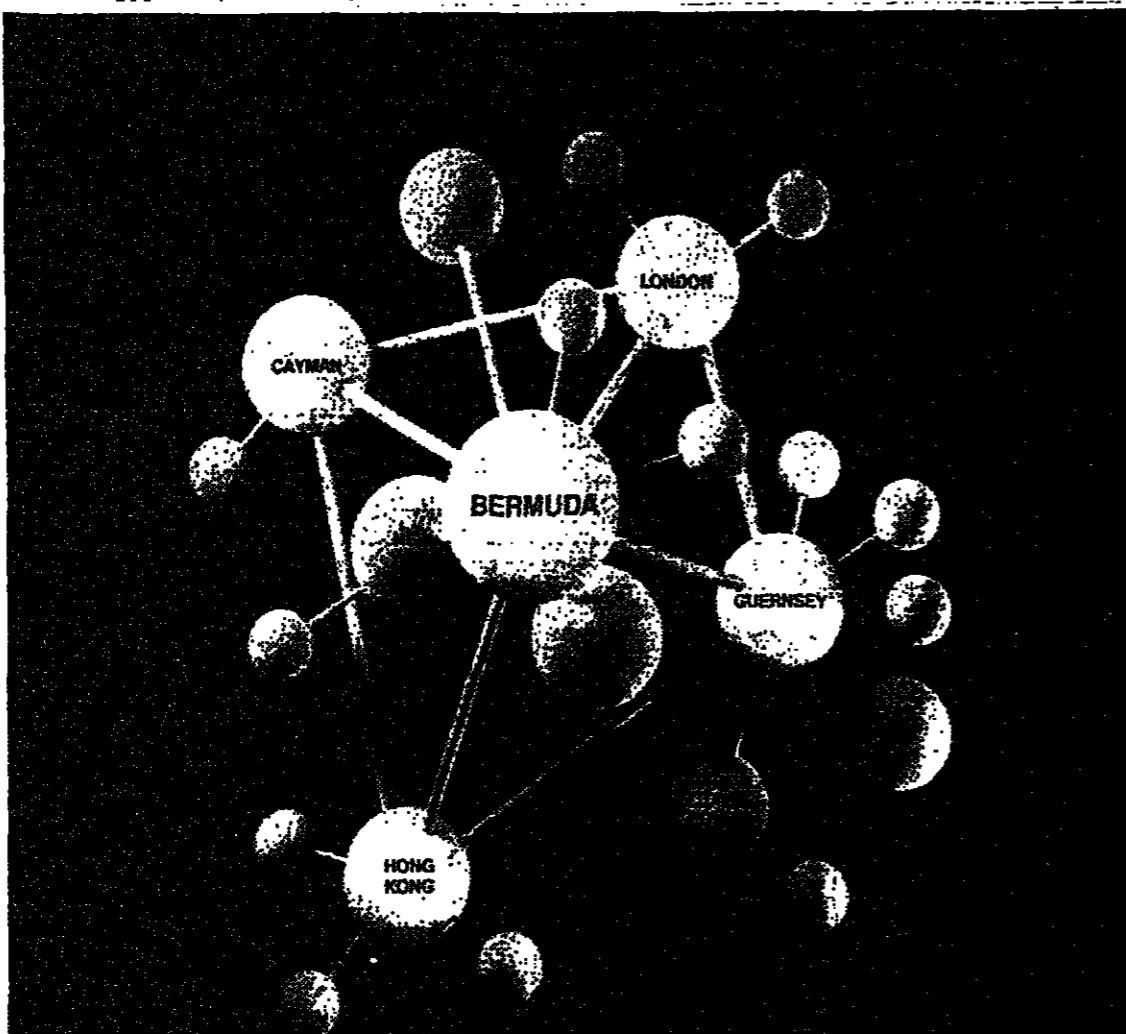
Sony to increase dividend by 12%

By Our Financial Staff

SONY, THE leading Japanese consumer electronics group, is to boost its dividend by 12 per cent because of what it described yesterday as a better than expected showing...

share compared with a previous ¥44.60.

for the year of ¥66m (\$64m), a rise of 23 per cent.



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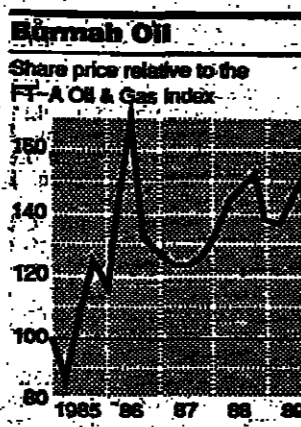
DECLARATION OF DIVIDENDS
UNITED KINGDOM CURRENCY EQUIVALENTS
In accordance with the standard conditions relating to the payment of the dividends...

UK COMPANY NEWS

Burmah rise underpinned by 10% Castrol advance

By Steven Butler

PRE-TAX profits at Burmah Oil, the lubricants, chemicals and shipping group, rose by 13 per cent to £73.2m in the half year to June 30 on sales also 13 per cent higher at £753.5m. Net profits rose 17 per cent to £43.9m.



Shipping profits increased from 57m to 212m as an initial result of an agreement with Mitsui which removed the need for annual provisions for possible future liabilities on the business, as well as a write-back of earlier provisions.

that he had met with the management of SHV, which has a 4 per cent stake in Burmah. "We are not actively plotting, nor do we have a plan to take out Celor," he said.

Computer dealership in Canadian merger

By Alan Cave

COMPUTERGROUP, a Manchester-based chain of personal computer dealerships, has merged with SHL Systemhouse Inc of Ottawa, Canada, in an exchange of shares worth £1.2m.

In 1986, Development Capital Group, the venture capital arm of Lazards merchant bank, put together a funding package worth £750,000 for ComputerGroup.

Banking and fund management income offsets fall in property profits Singer & Friedlander up to £10.7m

By David Lascelles, Banking Editor

SINGER & FRIEDLANDER, the City of London property and financial services group, yesterday reported pre-tax profits of £10.7m for the half year to June 30, a 17.7 per cent improvement on last year's £9.1m.

After tax, profits were £7.2m, a gain of 13.7 per cent. The interim and intended final dividend is being raised by 25 per cent to 2.5p. Mr Tony Solomons, the chairman, said the dividend was well covered, and the company now had a policy of increasing the dividend with more rapidly than profits.



Tony Solomons: plenty of scope for expansion

for expanding most of its main lines of business.

result pushed the shares up 2p to 77p. The steady rise in earnings again reflects the extremely cautious approach taken by Singers to its business, illustrated by Mr Solomons' bold claim that his company is invulnerable to a property market downturn.

Acsis £25.4m acquisitions

By Ray Bashford

ACISIS IS expanding its diversified marketing services businesses through five acquisitions for a maximum of £25.4m. This side of the business has grown over the past two years out of the shell of the Acasis Jewellery company.

South African, Mr Darryl Phillips took over Acasis in June 1987. Mr Phillips plans for expansion were delayed in the immediate aftermath of the October 1987 stock market crash.

Acasis is paying £2.4m for Peter Inston, a specialist in interior design and decoration of country house hotels.

R and H Hall

R and H Hall, agricultural merchant, cereals and seed processors, reported pre-tax profits of £1.6m (£1.58m) in the half-year to June 30.

Lambert Howarth back in profit mid-way

By John Thornhill

LAMBERT HOWARTH, the footwear and luggage group, yesterday announced a return to profitability at the interim stage and the proposed disposal of its Custom Case subsidiary for £700,000 in cash.

not been prompted by Peter Black's attack. "I had forgotten they even criticised it."

Mr Martin Jourdan said several other companies had expressed interest in Custom and any higher offers would be considered by Lambert's board.

spring merchandise; the success of its manufactured ranges and improvements in efficiency and a better response to market changes.

Six months that proved the value of a balanced range of activities.

AMEC INTERIM RESULTS

Table with 3 columns: SIX MONTHS ENDED 30.6.89, SIX MONTHS ENDED 30.6.88, TWELVE MONTHS ENDED 31.12.88. Rows include Turnover, Profit before tax, Profit after tax, Earnings per ordinary share (undiluted and diluted), and Dividends per ordinary share.

Key points from the Chairman's statement:

- 72% increase in profit. 25% increase in earnings per share. 16% increase in ordinary dividends. AMEC has the balance and stability to resist market fluctuations and the strength to take advantage of change. We are confident of continued success.



From start to finish

AMEC p.l.c., Sandway House, Harford, Northwch, Cheshire CW8 2YA. Tel: (0666) 883885. Telex: 669798. Fax: (0666) 883996.

Principal operating companies: AMEC Construction Services, AMEC International, AMEC Projects, AMEC Properties, AMEC Regeneration, AUST - AMEC, Barnard and Burk, CV Buchan, Denco, Fairclough Building, Fairclough Civil Engineering, Fairclough Homes, Fairclough-Parkinson Mining, Fairclough Scotland, Fire Protection Industries, Fisk, Franklin Hodge Industries, James Scott, IDC, Inperk, Intek, Matthew Hall Engineering, Matthew Hall Keynes Engineering, Matthew Hall Mechanical and Electrical Engineers, MAPEL, Press Construction, Press Offshore, Robert Watson, Worsham Sprinkler.

Fraser completes reversal into Dewey

By Ray Bashford

THE PLAN to reverse Robert Fraser, the private merchant bank, into Dewey Warren, the USM-quoted shell company which has cash reserves of approximately £50m, has succeeded after overcoming strong opposition from a large Dewey shareholder.

Fraser has a 29.9 per cent interest. Mr Colin Emson, the chairman of Dewey, said that the reverse takeover would create a diversified financial services company with businesses in merchant banking, property finance, management and syndication and insurance broking, both Lloyds' and general.

On the completion of the deal the name of the company will be Robert Fraser Holdings.

This notice is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe for or to purchase any securities.

SPHERE Investment Trust PLC

(An investment company under Section 266 of the Companies Act 1985 incorporated in England with registered no. 80456)

Share capital following the reorganisation of Sphere Investment Trust PLC into a split capital investment trust

Table showing share capital details: Authorised (£), Issued and fully paid (£), Ordinary Income shares of 25p each, Zero Dividend shares of 25p each, and 3.5% (net) cumulative preference shares of £1 each.

The extraordinary resolution of the Warrant holders, the extraordinary resolution of the Ordinary shareholders and the special resolution of the Company were passed on 7 September 1989 thus enabling Sphere Investment Trust PLC to be reorganised into a split capital investment trust.

There are outstanding warrants which confer the right to subscribe, of 50p per Ordinary Income share, for in aggregate 11,879,837 Ordinary Income shares which are exercisable from 1990 to 1995 inclusive ("Revised Warrants").

The Council of The Stock Exchange has admitted the above-mentioned Ordinary Income shares, Zero Dividend shares and Revised Warrants to The Official List.

Copies of the Edtel cards containing particulars of the Ordinary Income shares, Zero Dividend shares and Revised Warrants are available in the Edtel Statistical Services and copies of the Circular issued by the Company to shareholders and Warrant holders on 11 August 1989 may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) until 12 September 1989, for collection only, from the Company Announcements Office of The Stock Exchange, 46-50 Finsbury Square, London EC2A 1DD and up to and including 22 September 1989 from:

- County NatWest Limited, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2ES. Barclays Registrars Limited, 6 Greencoat Place, London SW1P 1PL. Sphere Investment Trust PLC, 140 Gloucester Gardens, Cambridge Circus, London WC2H 8HD.

- OBFF & Partners P.L.C., Siddlers House, Gutter Lane, Cheapside, London EC2N 6BR.

8 September 1989



SUE PASCO, BRANCH MANAGER, OUR PRICE MUSIC.

"we are still forecasting very healthy growth in records and tapes"

HENLEY CENTRE: LEISURE FUTURES



PETER CLAPP, DESIGN MANAGER, WH SMITH GROUP.

"the new store design, which is clearly boosting performance"

BARCLAYS DE ZOETE WEDD



GEORGE BLACK, DIRECTOR OF PROGRAMMES, WH SMITH TELEVISION.

"WH Smith is shaping up to be a beneficiary in pan European broadcasting"

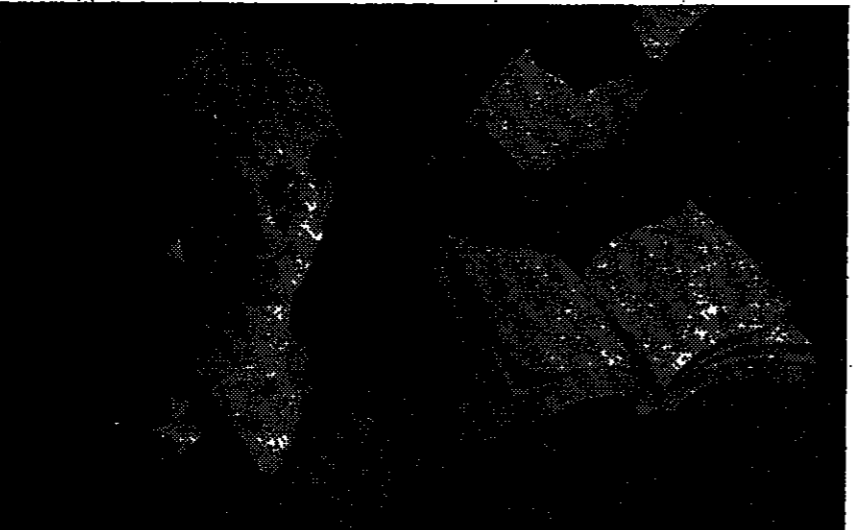
LAING & CRUICKSHANK



ROWENA WRIGHT, SENIOR BUYER, WH SMITH DO IT ALL

"effectively secured a significant niche for themselves in the market"

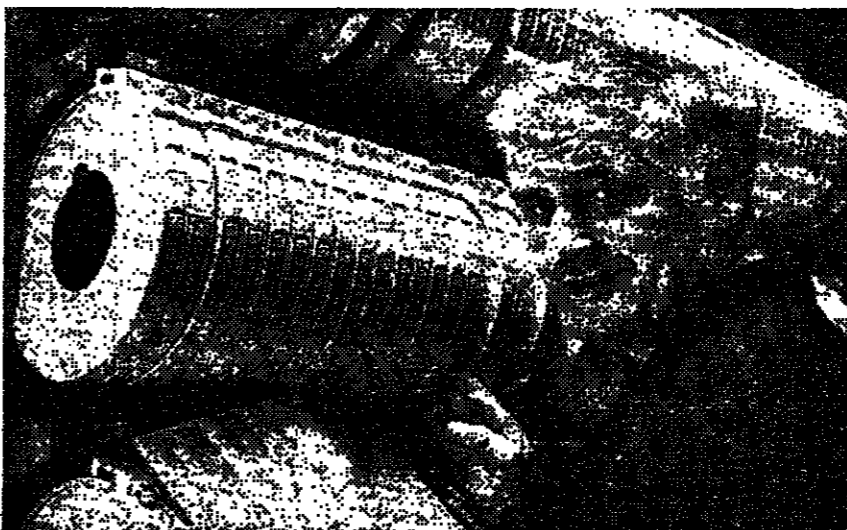
MORGAN STANLEY



GILL FRESHWATER, MARKETING EXECUTIVE, HEATHCOTE BOOKS.

"reading continues to survive as a major leisure activity"

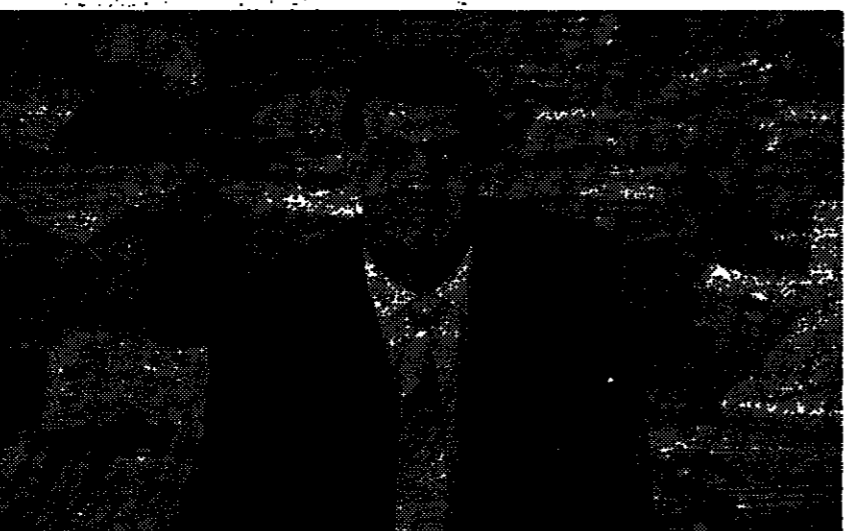
THE BOOK REPORT, EUROMONITOR



TOM GELLEBURN, EPOS ADMINISTRATION MANAGER, WH SMITH RETAIL.

"a strong upward move on gross margin as a result of benefits from EPOS"

CITICORP



PAUL HOLT, REGIONAL SALES MANAGER, WH SMITH NEWS.

"the Group's share of periodicals and magazines is increasing"

PANMURE GORDON & CO LIMITED



DONALD KERR, MANAGING DIRECTOR, PENTAGON GROUP.

"WH Smith's commercial stationery — displaying strong growth"

BARCLAYS DE ZOETE WEDD

Thanks to them we are one of the country's leading players.


We present above just some of the shining examples of how the management philosophy and training at WH Smith has succeeded. We believe that the people who work at WH Smith have a right to expect a high standard of training and we have always led the field in providing this.

At all levels of employment, and in all of our companies, we are committed to training to improve our business performance now and in the future.

Our programmes are tailored to suit the individual, thereby maximising their potential and ensuring that they can put their special skills to work more effectively.

This single-minded commitment to training and personal development has given WH Smith the ability to operate successfully in the toughest arena of them all: the marketplace.

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- DIY • TELEVISION •



THE RETAIL & DISTRIBUTION GROUP

For a copy of our Annual Report and Accounts write to: The Public Relations Department, WH Smith Group Plc, Strand House, 7 Holbein Place, London SW1W 8NR.

WH SMITH RETAIL • WH SMITH TRAVEL • OUR PRICE MUSIC • SHERRATT & HUGHES • PAPERCHASE • WH SMITH DO IT ALL • WH SMITH INC • WEE THREE • WH SMITH NEWS • HEATHCOTE BOOKS • WH SMITH TELEVISION • MOLINARE VISIONS • PENTAGON GROUP • SATEX GROUP • SANDMURST MARKETING

LONDON STOCK EXCHANGE

Equities rebound as confidence rallies

THE UK stock market rebounded from Wednesday's fall with somewhat astonishing vigour yesterday when its worst fears regarding domestic rights issues and Wall Street's trend proved much exaggerated. The announcement that Polly Peck sought only £280m by way of rights, rather than the rumoured £450m, was greeted with a sigh of relief in a London market already steadied by Wall Street's successful bounce overnight from a technical support level.

Confidence gathered strength as the morning passed by without rights issue calls from P & O or Eurotunnel, both featured in Wednesday's

reception - reflected in the highly unusual sight of a share price rising strongly after news of a substantial rights issue. US buyers of Polly Peck were reported, and renewed firmness in the US dollar appeared to encourage demand for leading UK equities from overseas. This return towards the bullish side of the market's balance sheet caught market makers badly short of stock again - Wednesday's shakeout inspired very little selling - and share prices forged ahead steadily. The final upward twist came when Wall Street opened the new session in sound form.

By the close, the FT-SE index was 26.1 points up at 2,415.8, the recovery of all but ten points of Wednesday's loss bringing the most recent 1989 peak into the market's sights again. Seaq trading volume remained relatively high at 598.9m shares against the 540.1m of the preceding, downward, session. There were buyers for food stocks, as well as for the international blue chips. However, the Seaq total includes inter-market deals, and the squeeze on market makers' positions implied a substantial intramarket trade as securities hoisers scoured the market for

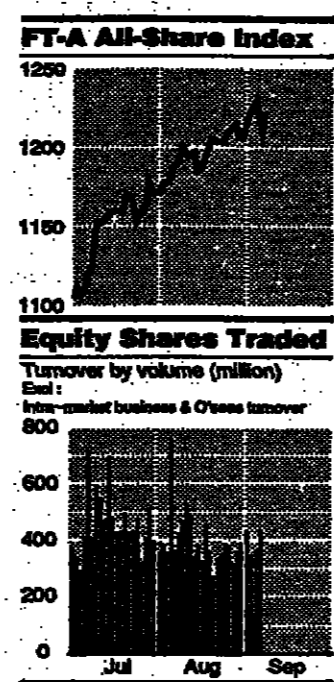
stock. The market comfortably absorbed the placing of further shares in Abbey National. Good interim results from Reckitt & Colman were welcomed, but Cookson's trading statement was taken coolly. Equity strategists vied with one another to interpret yesterday's market. "Everyone seems to be looking over their shoulders," commented one experienced international dealer. While some analysts see strong institutional cash flows continuing to underpin the UK market, others warn that the market could be due for a sharp, if short-lived, correction from present levels.

FINANCIAL TIMES STOCK INDICES. Table with columns for Government Secs, Fixed Interest, Ordinary Share, Gold Mines, FT-SE 100 Share, Ord. Div. Yield, Earning Div. Yield, P/E Ratio, SEAG Bargains, Equity Turnover, Equity Bargains, Shares Traded, Ordinary Share Index, FT-SE Hourly changes, and S.E. ACTIVITY.

Welcome for Polly Peck deal

Dealers found a string of reasons for buying Polly Peck after the confirmation of a rights issue and the acquisition of Del Monte's tropical fruits business. The value of both the issue and the purchase were lower than many in the market had feared. Analysts said that as well as securing the Del Monte business, Polly Peck would have access to a well-known brand name for its existing products. They also said that the merged entity would be trading at a p/e of less than half that of large US fruit canning operations.

They would be mainly interested in anticipation of corporate activity such as a predatory strike. Saatchi has put its management consultancy operations up for sale. The shares climbed to 225p before setting at 211p, up 11 on the day. Turnover was 3.2m shares. RHM optimism Confirmation that Banks Hovis Macdonnell had sold its stake in Goodman Fielder was more favourable yesterday. Polly Peck's plan to buy Del Monte Tropical Fruits from Nabisco found a very positive



marketmaker. BAA ended unchanged at 358p. The electronics sector included one of the market's biggest turnover stocks in Ferranti; Seaq turnover totalled 18m although this figure included a trade reporting error of 4.5m. The shares rose 3 1/2 higher at 7 1/2p with the market said to have responded to stories that expected switching out of Plessey, after the expected GEC/Siemens victory in the current takeover battle, will focus on Ferranti. Plessey has 2.2 per cent of Ferranti. The GEC/Siemens/Plessey to battle comes to a head today when the GEC meeting to approve the Plessey deal should allow the former to move into the market to buy Plessey stock up to its 27p a share price. Plessey were little changed at 265p yesterday while GEC added 2 at 264 1/2p on 5.2m.

Cable & Wireless jumped 15 to 568p after the forthcoming ADS listing in the US and stories of US roadshows. Outch rose 10 to 568p amid speculation that the 2.8 per cent stake that changed hands last week went to Swiss entrepreneur Dr Tito Tattamanti who already has an 8.7 per cent stake. A 60 per cent interim profits rise at Friendly Hotels pushed the shares 18 to 297p. A warning from Caspari International that the results for the year as a whole are not likely to exceed Group's record profits achieved in 1988 knocked 30 off the shares which closed at 246p. Ladbroke advanced 10 to 349p after a recommendation by ANZ McCannan. The securities house, formerly Capel Cure Myers, said "the view on our estimate of 20 per cent compound growth over the next five years as conservative."

Confirmation that Brent Walker's financing of his acquisition of the betting shop businesses of Mecca and William Hill had been underwritten helped the shares push ahead 10 to 394p. WPCS continued rising strongly amid speculation that Groupe Beller of France would try to increase its 20 per cent stake in the agency's advertising division. The shares touched 378p before closing at 370p, up 21 on the day and 60 over a week. The oil and gas area of the market showed BP up 3 at 309 1/2p on turnover of 5.2m after the group announced the appointment of Mr Robert Horton as the new chairman of the group in succession to Sir Peter Walker. Sector specialists said the new appointments could herald a more aggressive approach by BP. In the background to the latest rise in the shares were persistent stories that a re-arrangement of the group's smaller North Sea interests would be announced next week. Shell attracted yet another session of keen interest, much of it an extension of the recent switching business out of Royal Dutch. At the close Shell were 5 1/2 ahead at 446p. The Shell dividend is scheduled for September 14. Burmah's interim results drew a poor reception from the market. The shares dipped 5 to 640p on a relatively quiet turnover of only 577,000 shares. Net income of £45.5m was at the bottom end of the range although the dividend of 8p was in line with forecasts. Many of the top breaking houses quickly reduced their full-year forecasts to around the 290m mark. But traders

TRADING VOLUME IN MAJOR STOCKS. Table with columns for Stock, Value, Price, % change, and other metrics for various companies like BAA, Ferranti, GEC, etc.

said there was little or no selling pressure in the shares. Enterprise Oil's interim results passed with barely a tremor through the market. "No surprises here, although the interim dividend was a pleasing 5.25p, slightly above the majority of estimates," said one marketmaker. He added that the market was increasingly taking the view that the deal was good for British Gas; Gas shares edged up 1 1/2 to 207p. Recently buoyant LASMO became a much more nervous market, settling unchanged at 57p with traders taking a cautious line on recent stories of a big gas discovery in Pakistan. Sovereign Oil & Gas moved up 4 to 204p with the market awaiting news on the eventual home of the 6.8 per cent stake in Sovereign which Anglo United acquired when it gained control of the Coalite group. Finnish group Neste Oy has a 29.9 per cent stake in Sovereign, bought in recent months from Home Oil and Hambros Bank. Other shareholders in Sovereign include Norwich Union, with 7.3 per cent, Sun Alliance, with 7.3 per cent and Guardian Royal with 13.5 per cent. Pavillon Leisure slipped 3 to 127p despite news that the company, the latest vehicle for ex-Pleasurama boss George Martin turned from losses to profits in the first half without any inclusion of recent acquisition Parkdale. Parkdale's figures for the first six months to June more than doubled to over £4m. Shares in DRG, the paper products group, shot up 15 to 534p as the market got wind of stories that the near 24 per cent stake in the group built over the past year or so by Pembridge, had been sold on to another potential predator. Talk in the market suggested that Jefferson Smurfit, the Irish group, may well have been the buyer of the stock, although there was no official confirmation of the stories. Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 24

Snatchi mystery. News that a US investor had taken a 2.4 per cent stake in Saatchi and Saatchi pushed the shares firmly ahead but left analysts and dealers little wiser over the implications of the deal. Analysts speculated on the origin of the shares, saying they may have arisen from the conversion of bearer certificates, possibly on the back of an existing stake of less than 5 per cent - so as to avoid automatic disclosure. Ms Lorna Tibbitt, at Warburton Securities, Saatchi's broker, said she thought the shares "had been bought for the long term." She said that US investors were better than the British counterparts at identifying leading stocks trading near historic lows.

Others were more suspicious of the motives for the stake building. "I can't see Americans buying the stock on fundamentals before the sale of the consultancy," said one.

NEW HIGHS AND LOWS FOR 1989. Table listing new highs and lows for various sectors like Chemicals, Electronics, Food, etc.

Advertising agency Lowe-Howard Spink & Bell advanced on news that Mr Tim Bell, one of its founders, is to buy out its public relations division. The move ends uncertainty, said an analyst, "although it is earnings neutral and the disposal had been in the market for at least 4 months." Lowe-Howard jumped 17 to 445p.

Reorganisation at Grant Thornton

As part of a radical reorganisation GRANT THORNTON has appointed seven new members to its newly created post of regional managing partner. The firm's network of 45 offices throughout the UK has been divided into distinct geographical areas, each with a regional managing partner at the helm. The new regional managing partners are: Mr Tony Agnew, Southern; Mr Clive Bennett, Central; Mr Leslie Duncan, Scottish; Mr David Fisher, London; Mr Robert Hayton, North West and North East; Mr Graham Ross, South West and North East; Mr Simon Schanfieldt, East Midlands. Mr Mike Cooper-Mitchell has been appointed deputy chairman of SEDGWICK UK (NATIONAL) and will be returning to London to take up his new post. He was previously managing director of Sedgwick's northern region. He is succeeded by Mr David Connor who was previously managing director at Willis-Whitman. OPTICAL AND MEDICAL INTERNATIONAL has appointed Mr Gilbert D. Williams to the board as its chief operating officer. He was president and general manager of a division of General Instrument Corporation.

APPOINTMENTS

Mr William J. Gordon (above), director of UK corporate services, Barclays Bank, has been made a non-executive director of MERCANTILE GROUP. Mr P.J. Luff has been appointed a director of ST MODWEN DEVELOPMENTS, the development subsidiary of St Modwen Properties. At FRANK FRYSTER GROUP Mr Frank H. Hitchman will become group board secretary and deputy group finance director on September 13. He has been with the Sedgwick Group since 1979 and recently was director of corporate services of the E.W. Payne companies. PRUDENTIAL VENTURE MANAGERS has made the following appointments: Mr Martin Clarke, Mr Jonathan

Morgan, Mr Gus Guent and Mr Nigel McConnell become investment directors and Ms Carol Kennedy associate investment director. Mr Brian Ward Lilley has become the first director of PERSONNEL MANAGEMENT. He was an assistant director with Barclays Bank. Dr Christopher Hinde, joint editor of THE MINING JOURNAL, has been made a director. Mr Cameron Brown has joined JOHN CHARCOAL HOLDINGS as a director. He was founder director and previous chief executive of Abaco Investments. Mr Jeffrey Cooper is appointed a group head at MIDLAND MONTAGN CORPORATE BANKING with responsibility for financial institutions and oil, energy and natural resources. He was head of financial institutions. Mr Michael Firth becomes a group head, responsible for engineering, electronics, motors, chemicals and pharmaceuticals. He was head of engineering and electronics. Mr David Jessup is made a group head, responsible for retailers, utilities and diversified industries. He was head of retailers. Mr Robert Keen is named a group head, responsible for media, communications, leisure and related services. He was a corporate banking director.

Mr Colin Kirkby is to be a group head, responsible for property, construction, aerospace and shipping. He was head of development, construction and property finance. Mr Neil Hochaday is appointed chief operating officer for Midland Montagn Corporate Banking. He was a corporate banking director. THE ENGLISH NATIONAL OPERA is appointing Mr John Jackson as director of development on November 6. He was director of information at the British Council. TRIPLEX LLOYD has appointed Mr Arvind Paranjpe (above) a main board director. He joined the company in November 1988 to launch the group's North American venture.

NURDIN & PEACOCK Half Year Results Confirm Continuous Growth. Unaudited results for the half year ended 1st July, 1989. Table showing Turnover, Profit before tax, Taxation, Profit after tax, Dividend per share, Earnings per share. The Interim dividend is payable on 27th October, 1989, to members registered at close of business on 28th September, 1989. Results for the 6 months to 2nd July, 1988, have been re-stated for comparative purposes, to reflect the change in company accounting policy on the depreciation of freehold and long leasehold properties, as announced in the accounts for the year ended 31st December, 1988. The figures for 1988 have been adjusted to reflect the scrip issue of one ordinary share for every four shares held in June 1988. The information set out above does not comprise full accounts within the meaning of Section 254 of The Companies Act, 1985. Full accounts for the year ended 31st December, 1988, on which the auditors have given an unqualified opinion, have been filed with the Registrar of Companies. Highlights from the Chairman's Statement: Sales growth of 9 per cent, Dividend increase 13.5 per cent, Pre-tax profit rises 12.6 per cent, Earnings per share up 11.9 per cent, Excellent start for new branches at Stoke and Hull, Building of new branch at York starts shortly - further new sites in pipeline, Strong growth of own label products now over 20 per cent. of total sales, 'Happy Shopper' sales well over £1.0m a week - 70 new lines introduced, 'Red Band' cigarettes account for over 24 per cent. of the own label market, 'Red Band' lager launched to receptive market. THE CASH AND CARRY WHOLESALER. W. M. Peacock, Chairman.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-825-2128

AUTHORISED UNIT TRUSTS

Main table containing unit trust information, including columns for Unit Name, Unit Price, and other financial details. The table is organized into multiple columns and rows, listing various unit trusts and their associated data.

GUIDE TO UNIT TRUST PRICING. This section provides detailed information on how unit trust prices are calculated, including a table with columns for 'UNIT PRICE', 'UNIT PRICE', and 'UNIT PRICE'. It explains the relationship between unit price and net asset value, and how it is affected by the current discount level.

Unit Trusts

FT UNIT TRUST INFORMATION SERVICE

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Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

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Main table containing unit trust information with columns for Name, Price, and other details. Includes sub-sections like 'OFFSHORE AND OVERSEAS', 'MANAGEMENT SERVICES', 'GUERNSEY (SB RECOGNISED)', 'LUXEMBOURG (SB RECOGNISED)', and 'JERSEY (SB RECOGNISED)'.

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Handwritten note: "10/11/89"

Table of FT Unit Trust Information Service, columns include Name, Price, % Change, etc.

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Table of FT Unit Trust Information Service, columns include Name, Price, % Change, etc.

BRITISH FUNDS

Table of British Funds, columns include Name, Price, % Change, etc.

BRITISH FUNDS - Contd

Table of British Funds - Contd, columns include Name, Price, % Change, etc.

LOANS

Table of Loans, columns include Name, Price, % Change, etc.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails, columns include Name, Price, % Change, etc.

AMERICANS

Table of Americans, columns include Name, Price, % Change, etc.

INT. BANK AND O'SEAS

Table of Int. Bank and O'Seas, columns include Name, Price, % Change, etc.

CORPORATION LOANS

Table of Corporation Loans, columns include Name, Price, % Change, etc.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans, columns include Name, Price, % Change, etc.

ATP OFFSHORE FUNDS

Table of ATP Offshore Funds, columns include Name, Price, % Change, etc.

OFFSHORE INSURANCES

Table of Offshore Insurances, columns include Name, Price, % Change, etc.

Money Market Bank Accounts

Table of Money Market Bank Accounts, columns include Name, Price, % Change, etc.

Money Market Trust Funds

Table of Money Market Trust Funds, columns include Name, Price, % Change, etc.

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-625-2128

Main table containing various stock market listings categorized by industry: AMERICANS-Contd, BUILDING, TIMBER, ROADS, DRAPERY AND STORES-Contd, ENGINEERING-Contd, INDUSTRIALS (Miscel.)-Contd, CANADIANS, BANKS, HP & LEASING, CHEMICALS, PLASTICS, BEERS, WINES & SPIRITS, DRAPERY AND STORES, HIRE PURCHASE, LEASING, ETC., HOTELS AND CATERERS, and INSURANCES. Each entry includes company name, price, and other financial data.

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Wall Street

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

LEISURE

Table of share prices for Leisure companies including Leisure Group, Leisure Leisure, Leisure Leisure, etc.

PAPER, PRINTING, ADVERTISING - Contd

Table of share prices for Paper, Printing, Advertising companies including Paper, Printing, Advertising, etc.

TEXTILES - Contd

Table of share prices for Textiles companies including Textiles, Textiles, Textiles, etc.

TRUSTS, FINANCE, LAND - Contd

Table of share prices for Trusts, Finance, Land companies including Trusts, Finance, Land, etc.

OIL AND GAS - Contd

Table of share prices for Oil and Gas companies including Oil and Gas, Oil and Gas, Oil and Gas, etc.

MINES - Contd

Table of share prices for Mines companies including Mines, Mines, Mines, etc.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors, Aircraft Trades companies including Motors, Aircraft Trades, Motors, Aircraft Trades, etc.

PROPERTY

Table of share prices for Property companies including Property, Property, Property, etc.

TOBACCO

Table of share prices for Tobacco companies including Tobacco, Tobacco, Tobacco, etc.

TRANSPORT

Table of share prices for Transport companies including Transport, Transport, Transport, etc.

OVERSEAS TRADERS

Table of share prices for Overseas Traders companies including Overseas Traders, Overseas Traders, Overseas Traders, etc.

PLANTATIONS

Table of share prices for Plantations companies including Plantations, Plantations, Plantations, etc.

Commercial Vehicles

Table of share prices for Commercial Vehicles companies including Commercial Vehicles, Commercial Vehicles, Commercial Vehicles, etc.

Components

Table of share prices for Components companies including Components, Components, Components, etc.

Garages and Distributors

Table of share prices for Garages and Distributors companies including Garages and Distributors, Garages and Distributors, Garages and Distributors, etc.

Finance, Land, etc

Table of share prices for Finance, Land, etc companies including Finance, Land, etc, Finance, Land, etc, Finance, Land, etc, etc.

MINES

Table of share prices for Mines companies including Mines, Mines, Mines, etc.

Far West Rand

Table of share prices for Far West Rand companies including Far West Rand, Far West Rand, Far West Rand, etc.

NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers, Publishers companies including Newspapers, Publishers, Newspapers, Publishers, etc.

SHOES AND LEATHER

Table of share prices for Shoes and Leather companies including Shoes and Leather, Shoes and Leather, Shoes and Leather, etc.

SOUTH AFRICANS

Table of share prices for South Africans companies including South Africans, South Africans, South Africans, etc.

TEXTILES

Table of share prices for Textiles companies including Textiles, Textiles, Textiles, etc.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, Advertising companies including Paper, Printing, Advertising, Paper, Printing, Advertising, etc.

Australians

Table of share prices for Australians companies including Australians, Australians, Australians, etc.

Stock Exchange dealing classifications are indicated to the right of security names... This service is available to every Company listed in an Stock Exchange throughout the United Kingdom for a fee of 5000 per annum for each security.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Central banks intervene again

THE DOLLAR spent a choppy day yesterday, opening on a firmer note despite earlier intervention by the Bank of Japan in Tokyo, but failing to make any headway after that.

The dollar closed at DM1.9850 from DM1.9750 and Y146.30 against YFr1.7125 from YFr1.7040 and SFr1.6850 compared with YFr1.6825. On Bank of England figures, the dollar's exchange rate index rose to 72.6 from 72.3.

figures. For the time being investors seem happy to mark time, and while the pound lost ground to the stronger dollar, it was mostly firmer elsewhere.

FINANCIAL FUTURES

Short sterling rallies

EVENTS MOVED in favour of short sterling futures on Life yesterday, after early nervousness took the December contract through the overnight close of 86.35, which is also a support level.

improving sentiment in London's financial markets. Sentiment was also helped by the failure of the dollar to consolidate above DM1.9800, in spite of earlier speculation that a lack of change in Germany's currency through DM2.00.

likely to be the next focus of attention, following yesterday's CBI distributive trades survey. Figures for August showed sales are steady at a low rate of growth, but dealers pointed out that the slight pick up in retailing was hardly surprising given the very low levels recorded in July.

Confirmation of an unchanged stance pushed the dollar even higher initially but also encouraged some profit taking. Nevertheless, its bullish undertone worked through once again and was only challenged after intervention by the US Federal Reserve and 12 other central banks.

The intervention was made very obvious by the central banks and probably reflected concern in the US administration about the dollar's recent appreciation. There was always a chance that the central banks might try and catch the market off guard, but selling

figures. For the time being investors seem happy to mark time, and while the pound lost ground to the stronger dollar, it was mostly firmer elsewhere. Against the dollar, it slipped to \$1.5460 from \$1.5525 but improved in D-Mark terms to DM3.0675 from DM3.0650.

The D-Mark lost ground against the French franc, closing at FF3.3675 compared with FF3.3700 on Wednesday. The softer tone reflected disappointment that West German rates had not been increased. The French franc thus maintains an unchanged advantage in its interest rate differential over D-Mark denominated investments. A decision by Mr Pierre Bergery, French Finance Minister, to revise his 1989 trade deficit forecast upwards to FF40-45bn against a previous estimate of FF35bn, appeared to have little initial effect.

Table with 3 columns: Country, Current rate, % change from previous rate. Includes Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, Portugal, Spain, Sweden, Switzerland, UK, US.

Table with 3 columns: Country, Current rate, % change from previous rate. Includes Australia, Canada, Hong Kong, New Zealand, Singapore, South Africa, Taiwan, Thailand, etc.

Table with 3 columns: Country, Current rate, % change from previous rate. Includes Argentina, Brazil, Chile, Colombia, Ecuador, etc.

Table with 3 columns: Country, Current rate, % change from previous rate. Includes Mexico, Peru, Philippines, etc.

Table with 3 columns: Country, Current rate, % change from previous rate. Includes South Korea, etc.

Table with 3 columns: Country, Current rate, % change from previous rate. Includes Turkey, etc.

EMU EUROPEAN CURRENCY UNIT RATES

Table showing EMU rates for various countries: Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, Portugal, Spain, Sweden, Switzerland, UK, US.

POUND SPOT-FORWARD AGAINST THE POUND

Table showing pound spot and forward rates for various countries: US, Canada, Hong Kong, New Zealand, Singapore, South Africa, Taiwan, Thailand, etc.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table showing dollar spot and forward rates for various countries: UK, Canada, Hong Kong, New Zealand, Singapore, South Africa, Taiwan, Thailand, etc.

EURO CURRENCY INTEREST RATES

Table showing Euro currency interest rates for various countries: Sterling, US Dollar, Canadian Dollar, etc.

BASE LENDING RATES

Table showing base lending rates for various banks: ABN Bank, Adlon & Company, Allied Irish Bank, etc.

EUROPEAN OPTIONS EXCHANGE

Table showing European options exchange data for various series: Gold C, Gold P, etc.

STERLING INDEX

Table showing Sterling Index data for various periods: 8.30 am, 9.00 am, 10.00 am, 11.00 am, Noon, 1.00 pm, 2.00 pm, 3.00 pm, 4.00 pm.

CURRENCY RATES

Table showing currency rates for various countries: Sterling, US Dollar, Canadian Dollar, etc.

CURRENCY MOVEMENTS

Table showing currency movements for various countries: Sterling, US Dollar, Canadian Dollar, etc.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various countries: £, DM, Yen, etc.

OTHER CURRENCIES

Table showing other currencies: Argentina, Australia, Brazil, etc.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for various currencies: 3 months US Dollars, 6 months US Dollars, etc.

MONEY MARKETS

Bank more relaxed

THE WEST German Bundesbank left its credit policies unchanged at yesterday's council meeting, held in Mainz. This means the discount rate stays at 5 per cent and the Lombard emergency financing rate at 7 per cent.

MONEY RATES

Table showing money rates for various currencies: New York, London, etc.

LONDON MONEY RATES

Table showing London money rates for various currencies: Interbank Offer, Interbank Bid, etc.

EUROPEAN OPTIONS EXCHANGE

Table showing European options exchange data for various series: Gold C, Gold P, etc.

BASE LENDING RATES

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MERSEYSIDE

The Financial Times proposes to publish this survey on: 19th OCTOBER 1989

For a full editorial synopsis and advertisement details, please contact: BRIAN HERON Regional Manager

on 061 834 9381 (telex 666813) (fax 061 832 9248)

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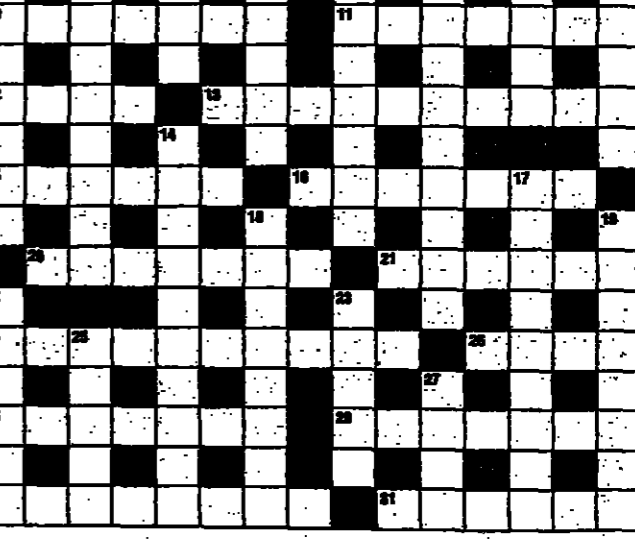
FINANCIAL TIMES logo and contact information.

FINANCIAL TIMES logo and contact information.

JOTTER PAD logo and contact information.

CROSSWORD

No.7032 Set by VIXEN



- 1 Soldiers grow weary, so get leave (6)
2 An arrangement to out down (6)
3 Go miles astray finding a place in France (7)
4 Pour out and turn right (4)
5 Paying for colonisation (10)
6 The best may well be a goner (6)
7 Quick drink offered about four (5)
8 Some eight went, yet there's still a fair number (6)
9 The guy housed in a boat remains (6)
10 Custodian in control - one who is always calm (4,6)
11 Gets food into seaman, so causing delay (9)
12 A few words resulting in 31 across perhaps (6)
13 Church official making request on packing available (7)
14 Irritated when required to accept one (7)
15 Stiffening courtesy accorded honour (6)
16 Proper with showing proper appreciation (10)
17 The more sanctimonious sort of supporter (7)
18 Ship's equipment needing new before opening (7)
19 Watched and obeyed (6)
20 Locked up in Capt's only jail (6)
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WORLD STOCK MARKETS

Main table of world stock markets including sections for Australia, Canada, Germany, Italy, Japan, South Africa, and Switzerland. Each section lists various stocks with their prices and changes.

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CANADA

Table of Canadian stock market data, including Toronto and Montreal indices and a list of individual stocks.

INDICES

Table of various stock indices including New York, Tokyo, and other international indices.

TOKYO - Most Active Stocks

Table of the most active stocks in the Tokyo market, listing stock names and their trading activity.

Advertisement for 'Travelling by air on business?' featuring Amsterdam and Rotterdam as destinations.

Large advertisement for 'Your FT hand delivered in Germany' promoting the Financial Times newspaper.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

3pm prices September 7

Main table of stock prices with columns for 12 Month High/Low, Stock Name, P/B, P/E, Div. Yld., and Close Price. Includes various sectors like Technology, Finance, and Energy.

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NYSE COMPOSITE PRICES

OVER-THE-COUNTER

Nasdaq national market, 3pm prices September 7

Table of NYSE Composite Prices with columns for 12 Month High, Low, Stock, Div. Yld., % High, % Low, and Close Price.

Table of Over-the-Counter prices with columns for Stock, Div., 12 Month High, Low, Last Change, and Close Price.

AMEX COMPOSITE PRICES

3pm prices September 7

Table of AMEX Composite Prices with columns for 12 Month High, Low, Stock, Div. Yld., % High, % Low, and Close Price.

Table of AMEX Composite Prices with columns for 12 Month High, Low, Stock, Div. Yld., % High, % Low, and Close Price.

Advertisement for Marriot featuring the text 'It's attention to detail' and the Marriot logo.

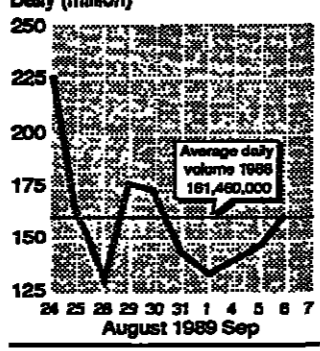
AMERICA

Bargain hunters lead Dow to continued recovery

Wall Street

ENCOURAGED by the rebound from lows near 2,700 on Wednesday, the Dow Jones Industrial Average registered modest gains by mid-session yesterday in a show of considerable resilience, writes Janet Bush in New York.

NVSE volume



Markets will also be focusing on the forthcoming Group of Seven meeting for dollar and interest rate policy.

infringement suit case with Polzarid and a rumour that investor Mr Carl Icahn may accumulate a stake in the company.

Canada

AT midday Toronto share prices were flat in a sluggish market. The composite index dropped 1.5 to 3,969.8, with declines even with advances at 225 to 227, on volume of 11m shares.

EUROPE

Amsterdam hits new high amid relief over election

RELIEF, political and macro-economic was a significant driving force yesterday, writes Our Markets Staff.

Market indices reflected the course of events with the FAZ calculated at mid-session, 0.33 points lower at 679.37 but the DAX 7.64 higher at the close, at 1,614.19.

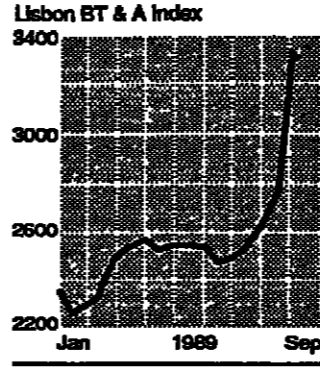
FFR18.50 to FFR386 amid a spate of bullish events: Mr Renaud de La Geniere, the chairman, said the takeover of Compagnie Industrielle and Groupe Victoire would not dilute Suez's 1989 earnings and he claimed that the shares were undervalued.

Portuguese bourse enjoys a hot summer

Patrick Blum on the foreign interest and privatisations that have sent shares surging

LISBON's once-sleepy bourse has taken a giant step in the past five weeks, with a spate of hectic trading which has sent share values soaring.

Portugal



With demand for shares outstripping supply, many of the British, Spanish, West German and French buyers, whose appetite for privatised Portuguese shares could not be satisfied, decided to shop around for other paper on the Lisbon and Oporto exchanges.

August: The first part-privatisation took place in April, when 48 per cent of Unicer, an Oporto-based brewer, was floated. The issue was three times oversubscribed, and strong foreign demand was restrained by a 10 per cent restriction on overseas ownership.

Several foreign companies and banks are preparing to expand their activities. New Portuguese financial houses are gearing up for new services. Later this month, Gestifundo will launch an Escobro (US\$500m) Capital Portugal Fund to channel investment into listed and unlisted Portuguese companies.

ASIA PACIFIC

Nikkei slips on interest rate uncertainties

Tokyo

CURRENCY and interest rate uncertainties spread disenchantment with large volume issues and the Nikkei average retreated for the third consecutive day in thin trading, writes Michio Nakamoto in Tokyo.

UNION Bank of Switzerland has shelved a \$300m convertible issue for Toyo Sanko because the shares of the Japanese oxygen producer, up Y200 at ¥1,670 in Tokyo yesterday, had risen almost ¥500 in the past week.

instant cupped noodles and other foods using a chemical device, Nissin surged ¥300 to ¥4,650 in active trading. Dalkyo, a condominium builder, rose ¥290 to a record high of ¥4,890 on the strength of its good earnings and on speculation about a scrip issue following similar moves by other companies.

and London on Wednesday. The All Ordinaries index was down 25.5, or 1.5 per cent, at 1,751.1 in fairly busy turnover of 130m shares worth A\$772m. The index has risen 15 per cent in the past couple of months.

the 1,400 level for the first time since the crash. The Straits Times industrial index gained 9.95 to 1,406.63 to leave it 6.6 per cent below its August 1987 record of 1,505.40.

Correction

THE French market rose by 1 per cent on Monday, not by 2 per cent as reported in the Financial Times on Tuesday. A technical fault affected provision of the OMF 50 index by the index compilers last Friday and Monday. The correct figures should have been 529.85 (-0.18) on Friday, and 529.25 (+5.32) on Monday.

Carrefour, the supermarket chain, surged in heavy volume before news of a 36 per cent rise in first half profits. The stock closed at a year's high of FFR3,614, up FFR34, after reaching FFR3,580.

MILAN fell again as the Banca Nazionale del Lavoro (BNL) scandal cast its shadow over the banks, and the market as a whole. The Comit index shed 10.66 points to 715.01 for a two-day fall of 2 per cent.

Table titled 'FT-ACTUARIES WORLD INDICES' showing stock market performance for various countries from Wednesday September 6 to Tuesday September 5, 1989. Includes columns for US Dollar Index, Pound Sterling Index, Local Currency Index, Day's change, Gross Div. Yield, and 1989 High/Low.

Advertisement for ASETCO LIMITED (Anglo-Soviet Engineering and Trading Company). Features a large graphic of crossed flags and text: 'US \$327,961,403 Limited Recourse Eurocurrency Facility'. Lists financial partners like Morgan Grenfell & Co. Limited and various banks.